

September 02, 2020

To,

Corporate Service Dept. <b>BSE Limited</b> Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Script code: 532722	The Listing Department, <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Script code: NITCO
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Ref. : - BSE Code : 532722; NSE Code : NITCO; ISIN : INE858F01012

**Sub: Submission of Annual Report and Notice of 54<sup>th</sup> Annual General Meeting of the Company & Book Closure dates**

Dear Sir,

This is to inform you that the 54<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 25<sup>th</sup> September, 2020 at 11:00 A.M. through Video Conferencing (VC) or other Audio Visual means (OAVM).

Pursuant to regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 an Annual Report and Notice of the Annual general Meeting is enclosed herewith for your reference & records.

In compliance with the circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Annual Report for the financial year 2019-20 and Notice of the 54<sup>th</sup> Annual General Meeting will be sent today i.e. September 02, 2020 to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s). The Annual Report and Notice of AGM will also be available on company's website at <https://www.nitco.in/corporate/investors/PDFFiles/Annual-Report-2019-20.pdf>

Pursuant to section 91 of the Companies Act, 2013 and regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Register of Members and Share Transfer Books of the Company will be closed from Saturday, 19<sup>th</sup> September, 2020 to Friday, 25<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

Further it is informed that the Company will provide remote e-voting facility to the shareholders for the purpose of casting vote on the resolutions proposed to be passed in the ensuing Annual General Meeting. The remote e-voting period commences from Tuesday, September 22, 2020 at 9:00 A.M. and ends on Thursday, September 24, 2020 at 5:00 P. M.

# NITCO

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Kindly take the same on record.

Thanking You,

Yours Faithfully,  
For **NITCO Limited**

**Puneet Motwani**  
**Company Secretary & Compliance Officer**



Registered Office: Plot No. 3, Nitco House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400 072.  
Tel: +91 22 6752 1555/Fax: +91 22 6752 1500/Email: investor grievances@nitco.in  
CIN: L26920MH1966PLC016547/Website: www.nitco.in

# NOTICE

Notice is hereby given that the 54th Annual General Meeting of the Members of Nitco Limited ('the Company') will be held on Friday, the 25th day of September, 2020 at 11:00 a.m. through Video Conferencing (VC) or other Audio Visual means (OAVM) to transact following businesses:

## ORDINARY BUSINESS

- To consider and adopt
  - the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and the Reports of Directors and Auditors of the Company thereon;
  - the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2020 together with the Report of the Auditor's thereon;
- 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

- 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 31st March, 2021, be paid Rs. 50,000/- plus out of pocket expenses and applicable taxes.

**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."

- 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 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approval(s), if any, as may be necessary, approval of the Members be and is hereby accorded for the re-appointment of Mr. Vivek Talwar as the Managing Director of the Company for a further period of three years with effect from April 01, 2020 up to March 31, 2023 on such terms and

conditions as set out in the Explanatory 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, matters deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

**By Order of the Board of Directors  
For NITCO LIMITED**

**Sd/-  
Puneet Motwani  
Company Secretary  
August 13, 2020  
Mumbai**

## NOTES

- In view of the COVID-19 pandemic and the consequential restrictions imposed by the Government of India, the Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA vide Circular No. 14/2020 dated April 08, 2020, CircularNo.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), permitted holding Annual General Meeting (AGM) through VC/OAVM. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020 ("SEBI Circular"), permitted holding of Annual General Meetings through VC/OAVM. Accordingly, In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circular, the 54th AGM of the Company will be held through VC/OAVM. Members can attend and participate in the AGM through VC/OAVM only. The venue of the Meeting shall be deemed to be the registered office of the Company.
- In order to enable the members to attend the AGM through VC/OAVM the company has engaged the services of CDSL. The instructions for attending the meeting through VC/OAVM are given in subsequent paragraphs.
- Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Since the AGM will be held through VC/OAVM, the Route Map of the venue of the AGM is not annexed to this Notice.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Considering the difficulties caused due to the COVID-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of General Meetings. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.nitco.in](http://www.nitco.in) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Link Intime at [www.linkintime.co.in](http://www.linkintime.co.in).
7. Members whose e-mail address are not registered can register the same in the following manner:
  - a) Members holding shares in Dematerialized form (electronic form) are requested to register/update their e-mail address with their respective Depository Participant's (DPs) for receiving all communications from the company electronically.
  - b) Members holding shares in physical form can register their email ID by providing necessary details viz. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, Certificate from the Statutory Auditors relating to the Company's Employee Stock Options Plans under SEBI (Share Based Employee Benefits) Regulations, 2014 and the relevant documents referred to in the accompanying Notice calling the AGM are available for inspection by the Members. The above documents can be availed by the Members by providing their necessary details like Folio no. and Name by email to the company on [investorgrievances@nitco.in](mailto:investorgrievances@nitco.in)
9. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
10. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves at [investorgrievances@nitco.in](mailto:investorgrievances@nitco.in) or use the "RAISE HAND" Button appearing on the screen during the Annual General Meeting. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
11. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first serve basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
12. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The instructions for remote e-voting are given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 54th AGM being held through VC/OAVM.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 19th day of September, 2020 TO Friday, the 25th day of September, 2020 (both days inclusive).
14. 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.
15. Particulars of Director(s): Relevant particulars of Mr. Vivek Talwar (DIN: 00043180) are annexed with this notice and are also given in the report on Corporate Governance.
16. 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.
17. 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).
18. 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. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are transferred by the Company to demat account of the IEPF Authority in accordance with the provisions of Section 124(6) of the Companies Act, 2013. Members wishing to claim dividends and shares which are transferred to Investor Education and Protection Fund (IEPF) are requested to approach the IEPF Department of the Government of India.

19. Corporate Members intending to authorize their representatives to attend the Annual General Meeting are requested to send a scanned copy of the signed Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting on the email id [investorgrievances@nitco.in](mailto:investorgrievances@nitco.in)
20. 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.
21. 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.
22. 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.
23. Instructions:
  - 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 54th 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 Tuesday, September 22, 2020 (9.00 a.m) and ends on Thursday, September 24, 2020 (5.00 p.m.). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date Friday, September 18, 2020 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](http://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.

**OR**

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alphanumeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  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.  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 a print of the votes cast 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.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / Ipads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(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](http://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](mailto:krupa@krupajoisar.com) with the copy marked to [helpdesk.evoting@cdslindia.com](mailto: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.

**PROCESS FOR SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

- 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.
24. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice though email and holds shares as on the cut-off date i.e. Friday, 18th September, 2020 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.
  25. 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 e-voting.
  26. 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.
  27. The Members present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM.
  28. 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.
  29. 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. 18th September, 2020.
  30. 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.

## ANNEXURE TO NOTICE

### Statement In Respect of the Special Business Pursuant to Section 102(1) of the Companies Act, 2013:

#### Item No. 3:

The Board of Directors at its meeting held on June 26, 2020 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 31st March, 2021, at a remuneration amounting to Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and 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. 3 of the Notice for the approval of the shareholders.

None of the Directors, Key Managerial Personnel’s or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 6 of this Notice.

#### Item No. 4:

Mr. Vivek Talwar was re-appointed as Managing Director of the Company on 14th February, 2017 for a period of 3 years w.e.f. 1st April, 2017. Accordingly, his tenure of appointment expired on 31st March, 2020. In terms of the recommendations of the Nomination & Remuneration Committee and subject to the approval of the members, the Board of Directors of the Company in its meeting held on 12th February, 2020 has decided to re-appoint Mr. Vivek Talwar as Managing Director for a further period of three years with effect from 1st April, 2020 on the terms and conditions as are set out hereunder:

1. The term of re-appointment of Mr. Vivek Talwar as Managing Director is for a period of 3 Years w.e.f April 01, 2020 to March 31, 2023.
2. The re-appointment of Mr. Vivek Talwar as Managing Director shall be without any remuneration. Further, as long as Mr. Vivek Talwar functions as the Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.
3. The Managing Director shall be reimbursed for all expenses incurred by him for travelling, boarding and lodging during his business trips conducted on behalf of the company. These reimbursement of expenses will not be included in the calculation of remuneration of the Managing Director.
4. The office of the Managing Director may be terminated by the company or the concerned Director by giving three (3) months prior notice in writing.

Mr. Vivek Talwar satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

The additional information as required under schedule V of the Companies Act, 2013 is given below:

#### I. General Information:

##### (i) Nature of Industry

The Company is in the business of manufacturing ceramic (floor/wall) tiles, processing of marble, outsourcing of vitrified tiles and development of real estates.

(ii) **Date or expected date of commencement of commercial production**

The Company was incorporated on 25th July, 1966. Since 1966, the Company commenced the manufacture of cement tiles.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable.

(iv) **Financial performance based on given indicators**

The relevant financial figures (Audited) as at year ended 31st March, 2020 are as under:-

Particulars	Rs. In Lakhs
Total Turnover and other Income	46,519.31
Total Expenses	55,768.99
Profit/(Loss) after Tax	(6,119.11)
Dividend	-

(v) **Foreign Investments or collaborators, if any**

Not Applicable.

**II. Information about the Appointee:**

**(a) Background Details**

Mr. Vivek Talwar is the Managing Director of your Company. 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 diversifying the business of the Company by entering into new activities such as marketing of imported marble, vitrified tiles and development of real estates.

**(b) Past Remuneration**

The previous term of Mr. Vivek Talwar as a Managing Director was for the period of three years beginning from 1st April 2017. Considering the losses incurred by the Company, the company defaulted in repayment of loans to its secured creditors and hence no remuneration could be paid to Mr. Vivek Talwar without the consent of Secured Creditors in terms of section 196, 197 reading with Schedule V of the Companies Act, 2013. Further, Mr. Vivek Talwar has not been paid any other remuneration except other privileges as are generally available to other employees of the Company.

**(c) Recognition or Awards**

Under his stewardship, the Company has grown rapidly. He has played a pivotal role in promoting the 'NITCO' brand.

**(d) Job Profile and his Suitability**

Mr. Vivek Talwar is associated with the Company since 1980. At present, he is the Managing Director of the Company. The Company is working

on a turnaround strategy and considering the experience of Mr. Vivek Talwar in the field of tile and real estate industry, he is ideally suited to the nature of our Industry.

**(e) Remuneration Proposed**

The re-appointment of Mr. Vivek Talwar as Managing Director shall be without any remuneration.

**(f) Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Not Applicable as no remuneration is proposed to be paid to Mr. Vivek Talwar

**(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Mr. Vivek Talwar has a pecuniary relationship with the Company as the Promoter and Managing Director of the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Vivek Talwar or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution.

**III. Other Information:**

**(a) Reasons of loss or inadequate profits**

Sales was lower in FY 2019-20 mainly in project business. Considering the market and liquidity situation the company reduced the exposure on project customers. The company currently does not enjoy any working capital facilities which put further pressure on the operations of the Company. All these factors impacted our profitability for the financial year 2019-20.

**(b) Steps taken or proposed to be taken for improvement**

The Company took steps to shift the business model to local outsourcing/joint venture arrangement. This sudden change in the business model has affected the financial performance of the company in the last few years. Company focused more on retail segment sales by creating consumer focused product strategy and growing sales network. Despite several challenges faced by the Company, the company was able to achieve net revenue of Rs. 465.19 Crore, a decrease of 21% over last year.

**(c) Expected increase in productivity and profits in measurable terms**

Considering the brand equity enjoyed by the Company and the performance of the Company during the current year in a tough environment and several steps taken for improving the performance of the Company, the management is hopeful of a turnaround in near future which in turn shall lead to an increase in productivity



and profits of the company. In addition to this a competitive business strategy and a strategic plan has been set up by the company in order to increase the productivity and profits. The company has a strong distribution network which caters to demand from across India. Company has widened its base further and has built a reliable client base overseas as well. The company has also increased its distribution network in the North and East zone of the country.

The re-appointment of Mr. Vivek Talwar as Managing Director needs to be approved by the shareholders in a general meeting and accordingly, the resolution is placed before the members. Your Directors recommend the resolution No. 4 mentioned in this notice for the approval of the members.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vivek Talwar under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Vivek Talwar or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution.

**By Order of the Board of Directors  
For NITCO LIMITED**

**Sd/-  
Puneet Motwani  
Company Secretary  
August 13, 2020  
Mumbai**

**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)**

<b>Name of the Director</b>	Mr. Vivek Talwar
<b>Date of Birth</b>	09/10/1956
<b>Date of first Appointment on the Board</b>	Appointed on the board as a Director since 1980.
<b>Experience/Expertise in specific functional areas/ Brief resume of the Director</b>	He has a rich experience of over 39 years in the tile industry. He was instrumental in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate

<b>Terms &amp; conditions of appointment/re-appointment</b>	As per explanatory statement attached to the Notice.
<b>Details of remuneration sought to be paid and remuneration last drawn</b>	As per explanatory statement attached to the Notice.
<b>Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company</b>	NA
<b>Number of meetings of the Board of Directors attended during the F.Y. 2019-20</b>	4/4
<b>Other Directorships held</b>	<p><b>Companies in which he is a Director :</b></p> <ol style="list-style-type: none"> <li>1. Cosmos Realtors Private Limited</li> <li>2. Rhythm Real Estates Private Limited</li> <li>3. Orchid Realtors Private Limited</li> <li>4. Merino Realtors Private Limited</li> <li>5. Norita Investments Private Limited</li> <li>6. Melisma Finance and Trading Private Limited</li> <li>7. Saumya Buildcon Private Limited</li> <li>8. Silver-Sky Real Estates Private Limited</li> <li>9. Glamorous Properties Private Limited</li> <li>10. Meghdoot Properties Private Limited</li> <li>11. Feel Better Housing Private Limited</li> <li>12. Quick-Solution Properties Private Limited</li> <li>13. Roaring-Lion Properties Private Limited</li> <li>14. Black-Panther Properties Pvt. Ltd.</li> <li>15. B L Kashyap and Sons Ltd.</li> </ol> <p>LLPs in which he is a Designated Partner:</p> <ol style="list-style-type: none"> <li>1. Reliant Properties and Realty LLP</li> <li>2. Greenearth Properties and Realty LLP</li> <li>3. Gaurang Advisors LLP</li> </ol>
<b>Membership/Chairmanship of Committees of other Boards</b>	Member of Audit Committee of B L Kashyap and Sons Ltd.
<b>Shareholding in the Company</b>	63,23,669 Shares

# NITCO

TILES MARBLE MOSAICO



**NITCO LIMITED**  
Annual Report - 2019-2020





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# Corporate Information

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## Board of Directors

Mr. Vivek Talwar, Chairman & Managing Director

Mr. Sharath Bolar, Independent Director

Mr. Siddharth Kothari, 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

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## Chief Financial Officer

Mr. Ramesh Iyer

## Company Secretary and Compliance Officer

Mr. Puneet Motwani

## Statutory Auditor

Nayak & Rane, Chartered Accountants

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## 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

### Marble Division

Survey No 176, Village Silli,  
Silvassa - 396 230



# NITCO

TILES MARBLE MOSAICO

## About us...

NITCO (Northern India Tiles Corporation) Limited was established in 1966 by Late Mr. Prannath 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 BSE 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 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 Morbi (Gujarat).

### **Pan India and beyond**

Our pan-India presence is facilitated through 21 offices. Our strong distribution network comprises more than 500 active direct dealers. We export tiles across globe and source the best quality of marble from over 27 countries.

### **Our key strengths**

NITCO Group has a wide spread and well established network of 500 active direct dealers and 2000 active sub dealers spread over. The company also owns 11 exclusive display centers under the brand name 'Le Studio' as well as 95 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 smoothed 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.

# OUR LEGACY SINCE 1966...

NITCO Limited was established by late Mr. Pran Nath Talwar



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



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

1966



1984



1997



2001



2002



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



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





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



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



**2007**

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



**2010**

**2013**

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

**2018**



**2019**

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

## **Key Corporate Highlight for 2019-20**

### **DEMAND GENERATION ACTIVITIES**

#### **All India event highlights:**

April 2019 – Launch of NITCO Le Studio in Bhutan

May 2019 – Launch of NITCO Made in Italy collection

July 2019 – NITCO was part of the Tata Realty's Partners' Meet 2019 at the Taj Mahal Palace. The objective was to make a difference to the 'built environment' & co-create spaces that add value to the society and communities we live in.

September 2019 – NITCO participated in CERSAIE, world's largest exhibition of ceramic tiles and bathroom furnishings

October 2019 – NITCO participated in Dialogues 8 edition at Umaid Bhawan Palace - Taj Hotels and Resorts.

December 2019 – NITCO participated in Kochi Design Week, India's largest design festival

December 2019 – NITCO was the trophy partner for GoodHomes Awards aimed at rewarding 30 designers under 30.

February 2020 – NITCO was one of the key exhibitors in Maison & Objet's 25<sup>th</sup> anniversary exhibition



# Directors'

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Report

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 54<sup>th</sup> 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, 2020.

## Financial results

The highlights of the financial results for the year ended March 31, 2020 are as follows:

For the year ended March 31	(Rs. in crores)			
	Standalone		Consolidated	
	2020	2019	2020	2019
Total Revenue	465.19	590.01	470.12	596.51
Profit /(Loss) before interest depreciation and tax	(38.74)	3.34	(40.98)	0.27
Interest & Financial Charges (Net)	23.21	19.13	23.48	22.42
Depreciation	30.54	31.12	38.64	39.23
Exceptional Items Gains/(Losses)	32.13	-	32.13	-
Profit/(loss) before tax	(60.37)	(46.91)	(70.97)	(61.37)
Provision for tax including taxes for earlier years	0.82	-	1.23	(1.32)
Profit/(loss) after tax	(61.19)	(46.90)	(72.20)	(60.05)

## Review of operation

During FY 2019-20, your Company was able to achieve net total revenue of Tiles & Related businesses of Rs. 465.19 crore, decrease of 21% over last year due to recessionary market conditions. The Company is enjoying strong brand equity in the market. The Company has achieved overall EBITDA loss of Rs. 38.74 crores in FY 2019-20 against an EBITDA of Rs. 3.34 crores in FY 2018-19. At a consolidated level, the Company has achieved EBITDA loss of Rs. 40.98 crores (previous year Rs. 0.27 crores) on account of losses incurred.

Sales was lower mainly in the project business as the company focussed on retail segment sales by creating consumer focused product strategy and growing sales network. During FY 2019-20, there was volume growth of 16% in export sales. Company reduced the exposure on project customers considering the market and liquidity situation.

## Share Capital

The paid up Equity Share Capital as at March 31, 2020 stood at Rs. 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) which was approved by the shareholders on March 30, 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 Rs. 10 each.

During the year under review, there are no material changes in the NITCO - ESOP - 2019 and the same is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The Disclosure pertaining to ESOPs required to be made under the Companies Act, 2013 and the rules made thereunder and the SBEB regulations are provided on the website of the company.

## Borrowing

JM Financial Asset Reconstruction Company (JMFARC) had acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from the Cut-Off date 28<sup>th</sup> February 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 Rs. 18.92 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 Rs. 6961.70 lakhs due to JMFARC, which were repayable as on 31.3.2020.

The company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14032.15 lakhs has been written back during FY 2019-20.

## Joint Venture with New Vardhman Vitrified 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 Pvt. Ltd (NVVPL) during FY 2011-12. The production at NVVPL was temporarily suspended from October 2018. During the F.Y. 2019-20, NVVPL has achieved net total turnover of Rs. 1.34 crore (previous year Rs. 56.46 crore), EBITDA loss of Rs. 3.81 crore (previous year EBITDA profit of Rs. 3.59 crore)

## 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, 2020.

### Material Changes

#### Lockout at Tiles manufacturing unit at Alibaug

On 27<sup>th</sup> January, 2020 lock out has been declared at tiles manufacturing unit at Alibaug for a temporary period. The lock out was necessitated due to non cooperation, coercive and threatening tactics by workmen at the factory premises and with a view to safeguard the interest of the organisation, the safety and security of the personnel and the property of the Company.

#### Impact of COVID 19 pandemic:

The outbreak of novel Coronavirus (COVID-19) pandemic and the consequent lockdown restrictions imposed by the central and state governments has caused significant disturbance and slowdown of economic activity in India and across the globe.

The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general.

Operations in many states/union territories were disrupted during March. Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial results. As per the current assessment, other than the impairment recorded, no significant impact on carrying amounts of assets is expected, and management continue to monitor changes in future economic conditions. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial results.

No material changes or commitments have occurred other than mentioned above 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 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, 2020 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, 2020 and of the loss of the Company for the year ended March 31, 2020;
- 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.

### Details of Directors Appointed/Resigned during the year

During the year under review, Mr. Pradeep Saxena- Independent Director of the company has resigned from the Board w.e.f. April 23, 2019 due to his pre-occupation. Mr.Siddharth Kothari was appointed as an independent director w.e.f August 09, 2019.

Mr. Vivek Talwar retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment.

Pursuant to the recommendations of the Nomination & Remuneration Committee, the Board at its meeting held on February 12, 2020 has approved the re-appointment of Mr. Vivek Talwar as Managing Director for a further term of 3 years from April 01, 2020 to March 31, 2023 subject to the approval of shareholders. Based on his skills, experience, knowledge and report of his performance evaluation, the Board was of the opinion that his association would be of immense benefit to the Company and it would be desirable to avail his services as Managing Director.



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.

**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:

<b>Sr. No.</b>	<b>Name of the person</b>	<b>Designation</b>
1.	Mr. Vivek Talwar	Chairman & Managing Director
2.	Mr. Mahesh Shah \$	Chief Executive Officer
4.	Mr. Ramesh Iyer#	Chief Financial Officer
5.	Mr. Puneet Motwani	Company Secretary & Compliance Officer

# Appointed as Chief Financial Officer w.e.f. March 01, 2020.

Mr. B. G. Borkar superannuated from the services of the company on May 31, 2020 and ceased to be Chief Financial Officer w.e.f. February 29, 2020.

\$ Mr. Mahesh Shah ceased be Chief Executive Officer of the company w.e.f July 3, 2020.

**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: <https://nitco.in/corporate/investors/nitco-policy>. 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 was not liable to transfer any amount to Investor Education & Protection Fund (IEPF) account during the year under review.

In accordance with the provisions of the Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), the Company has transferred 95,929 equity shares of Rs. 10 each held by 258 shareholders to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the financial year(s) 2005-06, 2006-07, 2007-08, 2008-09 and 2010-11. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and on submission of such documents as prescribed under the IEPF Rules. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividend shall be credited to IEPF.

**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, 2020.

## Auditors

At the Company's 51<sup>st</sup> 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 51<sup>st</sup> AGM till the conclusion of the 56<sup>th</sup> 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 MMJB & Associates LLP, Practising Company Secretaries, to conduct Secretarial audit for F.Y. 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure III** to this Report.

Given below is the explanation on the observations made by the Secretarial Auditor in his report:

Observations made by the Auditor	Explanation
The Composition of Committees of Director was not in compliance for a period from 23rd April, 2019 to 8th August, 2019	Mr. Pradeep Saxena who was a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee had ceased to act as an independent director on 23rd April, 2019 and Mr. Siddharth Kothari was appointed in his place as an Independent Director with effect from 15th July, 2019. As a result the composition of Committees got changed due to cessation of Mr. Saxena and the same was reconstituted at the Board Meeting held on 9th August, 2019 after appointment of Mr. Siddharth Kothari. Since there was no board meeting held after the appointment of Mr. Siddharth Kothari until 9th August, 2019 the constitution of the Committees remained unchanged during the period 23rd April, 2019 to 8th August, 2019.

### Observations made by the Auditor

The Company has not taken Omnibus approval or prior approval from Audit Committee for all the Related Party Transactions as per Section 177 of Companies Act, 2013 and Regulation 23 of Listing Regulations. However, all the Related Party Transactions were placed in the subsequent Board Meetings.

Out of the total shareholding of promoter and promoter group only 4242 Equity Shares i.e. 0.01% of the total shareholding of Promoter Category is not in dematerialized form as required under Regulation 31(2) of Listing Regulations

### Explanation

Company ratified all Related Party Transaction after the end of every quarter in the subsequent Board Meeting. However, the same has been rectified and company will take prior omnibus approval from Audit Committee for all Related Party Transactions.

Mr. Vivek Talwar, Promoter and Managing Director of the company does not have any control over 4242 Equity shares held by certain entities of Promoter group in physical form and hence its been practically not possible for the company to dematerialize those shares.

### 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. 2019-20.

### Audit Committee

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details relating to the same are given in report on Corporate Governance forming a part of this report.

### 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 of Code of conduct etc. to the Audit 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: <https://www.nitco.in/corporate/investors/nitco-policy>

#### 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. <https://www.nitco.in/corporate/investors/nitco-policy>

#### 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 36 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<sup>nd</sup> 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. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
4. 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 JM Financial Asset Reconstruction Company (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, June 26, 2020

## ANNEXURE - I

## AOC-1 (Annual Performance of Subsidiaries)

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

Name of Subsidiary Company	(Rs. in Lakh)													
	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20	31/03/20
Paid up Capital	3,438.78	2.00	125.00	5.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Reserves	(2,379.88)	692.36	252.78	(0.58)	(0.93)	(1.68)	(1.00)	(0.33)	129.87	(0.38)	(1.02)	(1.02)	(0.20)	(0.30)
Total Assets	7,519.71	7,104.23	505.30	368.05	50.33	452.58	334.80	103.70	131.05	138.00	596.76	436.49	394.47	3.36
Total Liabilities	6,460.81	6,409.87	127.52	363.63	50.25	453.26	334.80	4.03	0.19	137.38	596.78	436.51	393.67	2.66
Investments (except investment in subsidiary companies)	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Turnover (Incl. other Income)	133.97	-	204.61	-	-	-	-	-	210.00	-	-	-	-	-
Profit before taxation	(1,217.60)	(6.37)	(6.20)	(0.19)	(0.05)	(0.43)	(0.08)	(0.05)	171.06	(0.05)	(0.06)	(0.10)	(0.05)	(0.05)
Provision for taxation	-	-	-	-	-	-	-	-	40.86	-	-	-	-	-
Profit after taxation	(1,217.60)	(6.37)	(6.20)	(0.19)	(0.05)	(0.43)	(0.08)	(0.05)	130.19	(0.05)	(0.06)	(0.10)	(0.05)	(0.05)
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 contracts or arrangement or transactions not at arm's length basis as on 31<sup>st</sup> March, 2020

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)
		NIL			

### Details of material contracts or arrangement or transactions at arm's length basis as on 31<sup>st</sup> March, 2020

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)
		NIL			

For and on behalf of the Board

**Vivek Talwar**

**Chairman & Managing Director**

DIN : 00043180

Mumbai, June 26, 2020

# ANNEXURE III

**MMJB & Associates LLP**

**Company Secretaries**

Ecstasy, 803/804, 8<sup>th</sup> Floor, City of Joy, J.S.D Road, Mulund (West), Mumbai- 400080, (T) 21678100

**FORM NO. MR.3**

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 400042.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) 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 Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the audit period).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called the "Listing Regulations")

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

- The Composition of Committees of Director was not in compliance for a period from 23<sup>rd</sup> April, 2019 to 8<sup>th</sup> August, 2019
- The Company has not taken Omnibus approval or prior approval from Audit Committee for all the Related Party Transactions as per Section 177 of Companies Act, 2013 and Regulation 23 of Listing Regulations. However, all the Related Party Transactions were placed in the subsequent Board Meetings.
- Out of the total shareholding of promoter and promoter group only 4242 Equity Shares i.e. 0.01% of the total shareholding of Promoter Category is not in dematerialized form as required under Regulation 31(2) of Listing Regulations

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

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

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

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

We further report that during the audit period, the Company has granted 11,12,000 shares under NITCO- Employee Stock Option Plan 2019.

We further report that during the audit period, the Company has received Show Cause Notice from IEPF Authority for transferring shares for the Dividend declared in Financial Years 2007-08, 2008-09 and 2010-11 to the Fund.

**For MMJB & Associates LLP  
Practicing Company Secretaries**

**Bhavisha Jewani**  
**Designated Partner**  
**FCS No. 8503**  
**CP. No. 9346**  
**UDIN: F008503B000384186**  
**Place: Mumbai**  
**Date: June 26, 2020**

\*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

# 'ANNEXURE A'

To  
The Members,  
**NITCO Limited**  
Plot No.3, Nitco House, Kanjur Village Road,  
Kanjurmarg (East) Mumbai, 400042.

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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MMJB & Associates LLP**  
**Practicing Company Secretaries**

**Bhavisha Jewani**  
**Designated Partner**  
**FCS No. 8503**  
**CP. No. 9346**  
**UDIN: F008503B000384186**  
**Place: Mumbai**  
**Date: June 26, 2020**



# ANNEXURE IV

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

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

1. Replaced conventional Lights( HPMV Lamp/HPSV Lamp/CFL Lamps) by LED lights and reduced Power consumption.
2. Continuous monitoring of energy consumption parameters.
3. 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** : Rs. 33.96 lakhs

## C) Foreign exchange earnings and outgo:

1. **Foreign Exchange earned** : Rs. 2,708.54 lakhs
2. **Foreign Exchange outgo** : Rs. 2,798.21 lakhs

For and on behalf of the Board

Vivek Talwar

Chairman & Managing Director

DIN: 00043180

Mumbai, June 26, 2020

# ANNEXURE V

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2020

[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, Kanjur Village Road, Kanjur Marg (E), Mumbai - 400 042. Tel: +91 22 6752 1555 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 C-101, 247 Park, L B S Marg, Vikhroli (west), Mumbai - 400083 Tel: 022 4918 6000 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	88%
2	Cutting, Shaping and Finishing of Stone	23960	12%

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

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

<b>Sr. No.</b>	<b>Name and Address of the Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary / Associate</b>	<b>% of holding</b>	<b>Applicable Section</b>
5	<b>Meghdoot Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U45201MH2006PTC166528	Step down Subsidiary	100%	Section 2(87)
6	<b>Opera Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U70100MH1996PTC100383	Step down Subsidiary	100%	Section 2(87)
7	<b>Feel Better Housing Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U45400MH2007PTC169306	Step down Subsidiary	100%	Section 2(87)
8	<b>Glamorous Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U70100MH2006PTC159880	Step down Subsidiary	75%	Section 2(87)
9	<b>Roaring - Lion Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U70102MH2007PTC176175	Step down Subsidiary	100%	Section 2(87)
10	<b>Quick-Solution Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U74110MH2007PTC174899	Step down Subsidiary	100%	Section 2(87)
11	<b>Max Wealth Properties Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai- 400030	U45201MH2007PTC174231	Step down Subsidiary	100%	Section 2(87)
12	<b>Ferocity Properties Private Limited.</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U70100MH2003PTC142221	Step down Subsidiary	100%	Section 2(87)
13	<b>Silver-Sky Real Estates Private Limited</b> Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030	U70109MH2008PTC181581	Step down Subsidiary	100%	Section 2(87)
14	<b>Aileen Properties Private Limited</b> 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, 2019)'				No. of Shares held at the end of the year '(As on March 31, 2020)'				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	8002992	2001	8004993	11.14	8002992	2001	8004993	11.14	-
b) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Any other	30080617	2241	30082858	41.86	30080617	2241	30082858	41.86	-
<b>Sub-Total shareholding of Promoter (1)</b>	<b>38083609</b>	<b>4242</b>	<b>38087851</b>	<b>53.00</b>	<b>38083609</b>	<b>4242</b>	<b>38087851</b>	<b>53.00</b>	<b>-</b>
<b>(2) Foreign</b>									
a) Individuals (Non Resident /Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total shareholding of Promoter (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total of Promoter shareholding (A) = (1)+(2)</b>	<b>38083609</b>	<b>4242</b>	<b>38087851</b>	<b>53.00</b>	<b>38083609</b>	<b>4242</b>	<b>38087851</b>	<b>53.00</b>	<b>-</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment fund	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investors	159844	-	159844	0.22	57000	-	57000	0.08	-0.14
f) FI / Banks	17347329	2585	17349914	24.14	17159892	-	17159892	23.88	-0.26
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total = (B)(1)</b>	<b>17507173</b>	<b>2585</b>	<b>17509758</b>	<b>24.36</b>	<b>17216892</b>	<b>-</b>	<b>17216892</b>	<b>23.96</b>	<b>-0.40</b>

Category of Shareholders	No. of Shares held at the beginning of the year '(As on April 1, 2019)'				No. of Shares held at the end of the year '(As on March 31, 2020)'				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Central Govt. /State Govt. / President of India</b>	2000	-	2000	0.00	86202	-	86202	0.12	0.12
<b>Sub Total = (B)(2)</b>	<b>2000</b>	<b>-</b>	<b>2000</b>	<b>0.00</b>	<b>86202</b>	<b>-</b>	<b>86202</b>	<b>0.12</b>	<b>0.12</b>
<b>3. Non-Institutions</b>									
a) i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7001047	83934	7084981	9.86	7508412	22113	7530525	10.48	0.62
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2872126	-	2872126	4.00	3778263	-	3778263	5.26	1.26
b) NBFCs Registered with RBI	64335	-	64335	0.09	30	-	30	0.00	-0.09
c) Employee Trust	-	-	-	-	-	-	-	-	-
d) Overseas depositories (Holding DRs) (Balancing Figure)	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	6235553	2351	6237904	8.68	5159191	1	5159192	7.18	-1.5
<b>Sub-total (B)(3):-</b>	<b>16173061</b>	<b>86285</b>	<b>16259346</b>	<b>22.63</b>	<b>16445896</b>	<b>22114</b>	<b>16468010</b>	<b>22.92</b>	<b>0.29</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>33682234</b>	<b>88870</b>	<b>33771104</b>	<b>47.00</b>	<b>33748990</b>	<b>22114</b>	<b>33771104</b>	<b>47.00</b>	<b>-</b>
<b>C. Non Promoter / Non Public Shareholding</b>									
a) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
b) Employee Benefit trust	-	-	-	-	-	-	-	-	-
<b>Total Non Promoter/ Non Public Shareholding (c) = (a)+(b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>71765843</b>	<b>93112</b>	<b>71858955</b>	<b>100.00</b>	<b>71832599</b>	<b>26356</b>	<b>71858955</b>	<b>100.00</b>	<b>-</b>

## B) Shareholding of Promoter &amp; Promoter Group

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year ' (As on April 1, 2019) '			No. of Shares held at the end of the year ' (As on March 31, 2020) '			% 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
6	Rajeshwari Prannath Talwar	825988	1.15	0.00	825988	1.15	0.00	
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	110107	0.15	0.00	110107	0.15	0.00	0
17	Vivek Prannath Talwar (HUF)	27264	0.04	0.04	27264	0.04	0.04	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
<b>Total</b>		<b>38087851</b>	<b>53.00</b>	<b>48.44</b>	<b>38087851</b>	<b>53.00</b>	<b>48.44</b>	<b>0</b>

## C) Change in Promoter's Shareholding

There was no change in the Promoters' shareholding during the year under review.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year ' (As on April 1, 2019) '		Transactions during the year		Cumulative shareholding at the end of the year ' (As on March 31, 2020) '	
		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 LIMITED	17159617	23.8796			17159617	23.8796
	AT THE END OF THE YEAR					17159617	23.8796
2.	SANJEEV RAJ KAPOOR	1541459	2.1451			1541459	2.1451
	AT THE END OF THE YEAR					1541459	2.1451

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year <sup>1</sup> (As on April 1, 2019) <sup>1</sup>		Transactions during the year		Cumulative shareholding at the end of the year <sup>1</sup> (As on March 31, 2020) <sup>1</sup>	
		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
<b>3.</b>	<b>MOTILAL OSWAL FINANCIAL SERVICES LTD</b>	<b>189828</b>	<b>0.2642</b>			<b>189828</b>	<b>0.2642</b>
	Market Sell			05 Apr 2019	-154158	35670	0.0496
	Market buy			12 Apr 2019	7340	43010	0.0599
	Market Sell			19 Apr 2019	-1259	41751	0.0581
	Market Sell			26 Apr 2019	-6101	35650	0.0496
	Market Sell			03 May 2019	-1409	34241	0.0477
	Market Sell			10 May 2019	-4110	30131	0.0419
	Market buy			17 May 2019	3869	34000	0.0473
	Market Sell			24 May 2019	-1549	32451	0.0452
	Market buy			31 May 2019	151325	183776	0.2557
	Market buy			07 Jun 2019	1055	184831	0.2572
	Market buy			14 Jun 2019	960	185791	0.2585
	Market Sell			21 Jun 2019	-5175	180616	0.2513
	Market buy			29 Jun 2019	26590	207206	0.2884
	Market Sell			05 Jul 2019	-31929	175277	0.2439
	Market Sell			12 Jul 2019	-141766	33511	0.0466
	Market Sell			19 Jul 2019	-826	32685	0.0455
	Market Sell			26 Jul 2019	-4366	28319	0.0394
	Market buy			02 Aug 2019	6235	34554	0.0481
	Market buy			09 Aug 2019	138054	172608	0.2402
	Market buy			16 Aug 2019	3250	175858	0.2447
	Market buy			23 Aug 2019	-141508	34350	0.0478
	Market Sell			30 Aug 2019	306304	340654	0.4741
	Market buy			06 Sep 2019	3055	343709	0.4783
	Market buy			13 Sep 2019	14899	358608	0.499
	Market Sell			20 Sep 2019	-3092	355516	0.4947
	Market Sell			27 Sep 2019	-7062	348454	0.4849
	Market Sell			30 Sep 2019	-2215	346239	0.4818
	Market buy			04 Oct 2019	3655	349894	0.4869
	Market buy			11 Oct 2019	318486	668380	0.9301
	Market Sell			18 Oct 2019	-4469	663911	0.9239
	Market buy			25 Oct 2019	2771	666682	0.9278
	Market buy			01 Nov 2019	1429	668111	0.9298
	Market buy			08 Nov 2019	811	668922	0.9309
	Market Sell			15 Nov 2019	-4053	664869	0.9252
	Market buy			22 Nov 2019	5956	670825	0.9335
	Market Sell			29 Nov 2019	-7578	663247	0.923
	Market Sell			06 Dec 2019	-31825	631422	0.8787

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year <sup>1</sup> (As on April 1, 2019) <sup>1</sup>		Transactions during the year		Cumulative shareholding at the end of the year <sup>1</sup> (As on March 31, 2020) <sup>1</sup>	
		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			13 Dec 2019	1161	632583	0.8803
	Market buy			20 Dec 2019	5873	638456	0.8885
	Market Sell			27 Dec 2019	-9541	628915	0.8752
	Market Sell			31 Dec 2019	-1037	627878	0.8738
	Market buy			03 Jan 2020	5043	632921	0.8808
	Market buy			10 Jan 2020	237	633158	0.8811
	Market buy			17 Jan 2020	1922	635080	0.8838
	Market Sell			24 Jan 2020	-7967	627113	0.8727
	Market Sell			31 Jan 2020	-10202	616911	0.8585
	Market buy			07 Feb 2020	1703	618614	0.8609
	Market buy			14 Feb 2020	3034	621648	0.8651
	Market buy			21 Feb 2020	10277	631925	0.8794
	Market Sell			28 Feb 2020	-11569	620356	0.8633
	Market buy			06 Mar 2020	5453	625809	0.8709
	Market Sell			13 Mar 2020	-3871	621938	0.8655
	Market Sell			20 Mar 2020	-497	621441	0.8648
	Market buy			27 Mar 2020	1053	622494	0.8663
	Market Sell			31 Mar 2020	-3048	619446	0.862
	<b>AT THE END OF THE YEAR</b>					<b>619446</b>	<b>0.862</b>
<b>4</b>	<b>SEA GLIMPSE INVESTMENTS PVT LTD</b>	<b>365000</b>	<b>0.5079</b>			<b>365000</b>	<b>0.5079</b>
	Market buy			27 Sep 2019	80000	445000	0.6193
	<b>AT THE END OF THE YEAR</b>					<b>445000</b>	<b>0.6193</b>
<b>5</b>	<b>ASHOK VISHWANATH HIREMATH</b>	<b>383826</b>	<b>0.5341</b>			<b>383826</b>	<b>0.5341</b>
	<b>AT THE END OF THE YEAR</b>					<b>383826</b>	<b>0.5341</b>
<b>6</b>	<b>ANAND JAIKUMAR JAIN</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
	Market buy			17 Jan 2020	55817	55817	0.0777
	Market buy			24 Jan 2020	74683	130500	0.1816
	Market buy			31 Jan 2020	84967	215467	0.2998
	Market buy			07 Feb 2020	81865	297332	0.4138
	Market buy			14 Feb 2020	12668	310000	0.4314
	Market buy			21 Feb 2020	7000	317000	0.4411
	Market buy			28 Feb 2020	5000	322000	0.4481
	<b>AT THE END OF THE YEAR</b>					<b>322000</b>	<b>0.4481</b>
<b>7</b>	<b>KAILASH BHANJI PATEL</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
	Market buy			06 Sep 2019	94990	94990	0.1322
	Market buy			13 Sep 2019	134880	229870	0.3199
	<b>AT THE END OF THE YEAR</b>					<b>229870</b>	<b>0.3199</b>



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year <sup>1</sup> (As on April 1, 2019) <sup>1</sup>		Transactions during the year		Cumulative shareholding at the end of the year <sup>1</sup> (As on March 31, 2020) <sup>1</sup>	
		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
<b>8</b>	<b>GLOBE CAPITAL MARKET LIMITED</b>	<b>272272</b>	<b>0.3789</b>			<b>272272</b>	<b>0.3789</b>
	Market buy			05 Apr 2019	1246	273518	0.3806
	Market buy			12 Apr 2019	4283	277801	0.3866
	Market buy			26 Apr 2019	900	278701	0.3878
	Market buy			26 Apr 2019	900	278701	0.3878
	Market buy			03 May 2019	3	278704	0.3878
	Market Sell			10 May 2019	-4646	274058	0.3814
	Market buy			24 May 2019	1004	275062	0.3828
	Market buy			31 May 2019	3296	278358	0.3874
	Market buy			07 Jun 2019	2500	280858	0.3908
	Market buy			14 Jun 2019	668	281526	0.3918
	Market Sell			21 Jun 2019	-66856	214670	0.2987
	Market Sell			29 Jun 2019	-8948	205722	0.2863
	Market buy			05 Jul 2019	5557	211279	0.294
	Market Sell			12 Jul 2019	-12200	199079	0.277
	Market buy			19 Jul 2019	5457	204536	0.2846
	Market buy			26 Jul 2019	4408	208944	0.2908
	Market Sell			02 Aug 2019	-7248	201696	0.2807
	Market buy			09 Aug 2019	1828	203524	0.2832
	Market buy			16 Aug 2019	434	203958	0.2838
	Market Sell			23 Aug 2019	-2120	201838	0.2809
	Market buy			30 Aug 2019	3000	204838	0.2851
	Market Sell			06 Sep 2019	-2000	202838	0.2823
	Market Sell			13 Sep 2019	-8447	194391	0.2705
	Market buy			20 Sep 2019	2315	196706	0.2737
	Market buy			27 Sep 2019	6393	203099	0.2826
	Market Sell			30 Sep 2019	-296	202803	0.2822
	Market buy			04 Oct 2019	6298	209101	0.291
	Market Sell			11 Oct 2019	-14831	194270	0.2703
	Market Sell			18 Oct 2019	-2570	191700	0.2668
	Market buy			25 Oct 2019	5000	196700	0.2737
	Market Sell			01 Nov 2019	-179218	17482	0.0243
	Market buy			08 Nov 2019	144918	162400	0.226
	Market buy			22 Nov 2019	200	162600	0.2263
	Market Sell			29 Nov 2019	-200	162400	0.226
	Market Sell			06 Dec 2019	-22081	140319	0.1953
	Market buy			13 Dec 2019	21000	161319	0.2245
	Market Sell			20 Dec 2019	-500	160819	0.2238
	Market Sell			27 Dec 2019	-9927	150892	0.21
	Market Sell			31 Dec 2019	-1400	149492	0.208

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year <sup>1</sup> (As on April 1, 2019) <sup>1</sup>		Transactions during the year		Cumulative shareholding at the end of the year <sup>1</sup> (As on March 31, 2020) <sup>1</sup>	
		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			03 Jan 2020	-600	148892	0.2072
	Market Sell			10 Jan 2020	-499	148393	0.2065
	Market buy			17 Jan 2020	999	149392	0.2079
	Market Sell			31 Jan 2020	-128119	21273	0.0296
	Market buy			21 Feb 2020	4185	222458	0.3096
	Market Sell			28 Feb 2020	-500	221958	0.3089
	Market Sell			06 Mar 2020	-2900	219058	0.3048
	Market buy			13 Mar 2020	1400	220458	0.3068
	Market Sell			20 Mar 2020	-1601	218857	0.3046
	Market Sell			27 Mar 2020	-515	218342	0.3038
	Market Sell			31 Mar 2020	-784	217558	0.3028
	<b>AT THE END OF THE YEAR</b>					<b>217558</b>	<b>0.3028</b>
<b>9</b>	<b>LUNAR COMMERCIALS PVT LTD</b>	<b>209964</b>	<b>0.2922</b>			<b>209964</b>	<b>0.2922</b>
	<b>AT THE END OF THE YEAR</b>					<b>209964</b>	<b>0.2922</b>
<b>10</b>	<b>ANKIT JAIN</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
	Market buy			29 Jun 2019	184929	184929	0.2573
	<b>AT THE END OF THE YEAR</b>					<b>184929</b>	<b>0.2573</b>

#### 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	Mrs. Bharti Dhar – Independent Director	-	-	-	-
5	Mr. Siddharth Kothari – Independent Director <sup>#</sup>	-	-	-	-
6	Mr. Vivek Grover – Nominee Director	-	-	-	-
7	Mr. Samir Chawla – Nominee Director	-	-	-	-
8	Mr. Mahesh Shah – Chief Executive Officer <sup>\$</sup>	10000	0.01	-	-
9	Mr. B.G. Borkar – Chief Financial Officer <sup>^</sup>	71200	0.10	71200	0.10
10	Mr. Ramesh Iyer – Chief Financial Officer <sup>@</sup>	-	-	-	-
11	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. 23<sup>rd</sup> April, 2019.

<sup>#</sup> Mr. Siddharth Kothari was appointed as an Independent Director w.e.f. August 09, 2019.

<sup>@</sup> Mr. Ramesh Iyer was appointed as Chief Financial Officer w.e.f. March 01, 2020.

<sup>^</sup> Mr. B. G. Borkar superannuated from the services of the company on May 31, 2020 and ceased to be Chief Financial Officer w.e.f. February 29, 2020.

<sup>\$</sup> Mr. Mahesh Shah ceased to be Chief Executive Officer w.e.f. July 3, 2020.

## V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs. In Crores) Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	843.31	-	-	843.31
ii) Interest due but not paid	0.21	-	-	0.21
iii) Interest accrued but not due	20.15	-	-	20.15
<b>Total (i+ii+iii)</b>	<b>863.67</b>	<b>-</b>	<b>-</b>	<b>863.67</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	24.82	-	-	24.82
* Reduction	178.06	-	-	178.06
<b>Net Change</b>	<b>153.24</b>	<b>-</b>	<b>-</b>	<b>153.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	672.49	-	-	672.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	37.94	-	-	37.94
<b>Total (i+ii+iii)</b>	<b>710.43</b>	<b>-</b>	<b>-</b>	<b>710.43</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	(Rs. In Lakhs)	
		Name of the Managing Director	
		<b>Vivek Talwar*</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		
	- others, specify		
5	Others, please specify		-
	<b>Total (A)</b>		<b>-</b>
	Ceiling as per the Act		120

\*No Salary was paid to Mr. Vivek Talwar during the year 2019-20

## B. Remuneration to other Directors

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Siddharth Kothari*	Sharath Bolar	Bharti Dhar	#Vivek Grover	#Samir Chawla	
1	Independent Directors	1.40	2.30	1.80	1.20	0.90	7.60
	Fee for attending board/committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.40</b>	<b>2.30</b>	<b>1.80</b>	<b>1.20</b>	<b>0.90</b>	<b>7.60</b>
	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1.40</b>	<b>2.30</b>	<b>1.80</b>	<b>1.20</b>	<b>0.90</b>	<b>7.60</b>
	<b>Total Remuneration (A) + (B)</b>						<b>7.60</b>

\* Mr. Siddharth Kothari was appointed as an Independent Director w.e.f. August 09, 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

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Mahesh Shah (CEO)	Mr. B. G. Borkar (CFO) (01/04/2019 - 29/02/2020)	Mr. Ramesh Iyer (CFO) (01/03/2020 - 31/03/2020)	Mr. Puneet Motwani (CS)	
<b>1</b>	<b>Gross salary</b>					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	252.77	189.89	10.00	12.00	464.66
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.94	-	-	2.94
(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	-	-	-	-	-
	<b>Total</b>	<b>252.77</b>	<b>192.83</b>	<b>10.00</b>	<b>12.00</b>	<b>467.60</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority 'RD NCLT/Court'	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment					
Compounding					

# 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 2019-20, the percentage increase in remuneration of Chairman & Managing Director, Joint Managing Directors, Executive Directors, Company Secretary and CFO during the financial year 2019-20:

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	NA	NA
2.	Mr. Mahesh Shah\$	CEO	NA	NIL
3.	Mr. B.G. Borkar#	CFO	NA	7%
4.	Mr. Ramesh Iyer*	CFO	NA	NIL
5.	Mr. Puneet Motwani	Company Secretary	NA	20%

# Ceased to be Chief Financial Officer (CFO) of the Company w.e.f. February 29, 2020.

\* Appointed as Chief Financial Officer (CFO) of the Company w.e.f. March 01, 2020.

\$ Mr. Mahesh Shah ceased to be Chief Executive Officer w.e.f. July 3, 2020.

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 2019-20	7%
2	Total number of employees of the Company as on 31 <sup>st</sup> March, 2020 (on Standalone basis)	572
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2019-20 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 2019-20 was 7%. The percentile increase in remuneration of Executive Director 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, June 26, 2020



# **MANAGEMENT**

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Discussion & Analysis

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically. And internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems.

Earlier Global growth, estimated at 2.9 percent in 2019, is projected to increase to 3.3 percent in 2020 and inch up further to 3.4 percent in 2021. Compared to the October WEO forecast, the estimate for 2019 and the projection for 2020 represent 0.1 percentage point reductions for each year while that for 2021 is 0.2 percentage point lower.

The global growth trajectory reflects a sharp decline followed by a return closer to historical norms for a group of underperforming and stressed emerging market and developing economies (including Brazil, India, Mexico, Russia, and Turkey). The growth profile also relies on relatively healthy emerging market economies maintaining their robust performance even as advanced economies and China continue to slow gradually toward their potential growth rates. The global recovery is projected to be accompanied by a pickup in trade growth (albeit more modest than forecast in October), reflecting a recovery in domestic demand and investment in particular, as well as the fading of some temporary drags in the auto and tech sectors.

These outcomes depend to an important extent on avoiding further escalation in the US-China trade tensions (and, more broadly, on preventing a further worsening of US-China economic relations, including around tech supply chains), averting a no-deal Brexit, and the economic ramifications of social unrest and geopolitical tensions remaining contained.

(source: World Economic Outlook, January 2020 & World Economic Outlook, April 2020: The Great Lockdown)

## 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 and partnerships.

India has retained its position as the third largest startup base in the world with over 8,900-9,300 startups, with about 1,300 new start-ups being founded in 2019, according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 till August, taking the total tally up to 24.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

Government is also aiming at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government 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.

India's gross domestic product (GDP) is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

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 behavior 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)

## Indian Ceramic Tiles Industry

Post Covid-19, there will be paradigm shift in the way the world look at China as their choice for tile sourcing from Asian



market due to hygiene & reliability factors. The majority of the tile importers across the globe will prefer to switch to the other sourcing destination like India, Vietnam, Malaysia and Bangladesh from the second half of CY 2020. India is being second largest tile producing and consuming market, India will be going to be the first choice for importing ceramic & porcelain tiles. India has rich natural resourcing for ceramic raw materials, has world class manufacturing facilities and adhering to international tiles quality standards. There is huge potential of foreign direct investment in India to make it as their tile manufacturing hub. Indian has better hygienic food habits, vegetarian dominant, ethical & honest business practices, people are young, skilled and hardworking.

There are strong possibilities that European & worlds' leading tiles brands will make sourcing tie-up, JVs and set up their tiles and Ceramics (sanitary-ware) manufacturing plants in India. India has huge potential for replacing Chinese tiles imports in terms of offering competitive price, world class quality, speedy delivery and more importantly reliability in all aspects of the business. Probably the best part will be Indian Tiles manufacturers' ability to handle smaller quantities of each SKU where in China one has to offer higher volume per SKU.

Right from an aesthetic ceramic tile to toughest porcelain tiles, small tiles to large format slab tiles, INDIA can cater any need of global tiles importers' demand. In India. Gujarat based Morbi Ceramic Industry is a largest cluster of Ceramic contributing more than 80% in the Indian tiles production.

Morbi Porcelain Slab Tiles producers are current exporting large format porcelain tile slabs to China apart from rest of the world which is phenomenal. Indian tiles import from China also will be reduced which will be replaced by other Asian countries imported and resorting to domestic sourcing.

(Source: indianceramicsourcing.com)

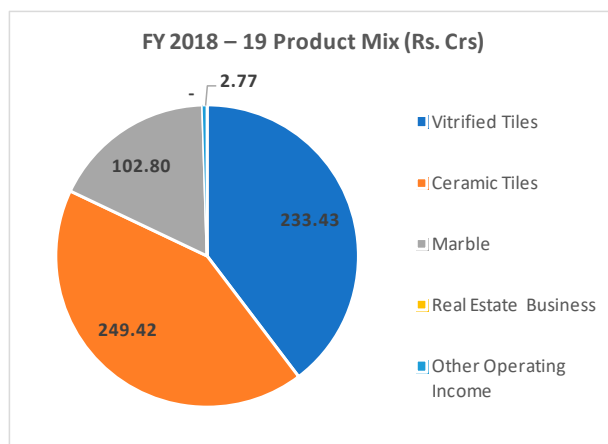
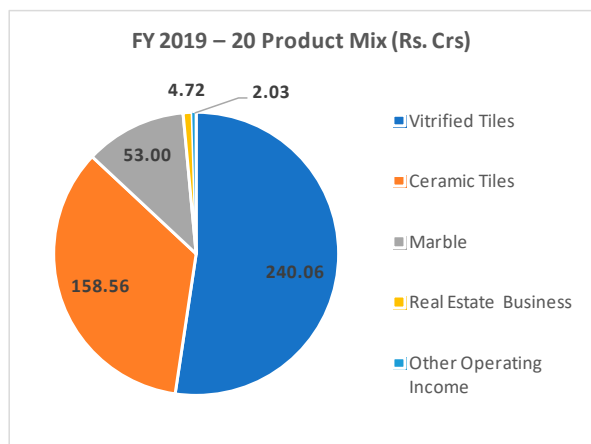
**Financial review**

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

During FY 2019-20, Company earned total income from operation of Rs. 45,837.46 Lakhs. NITCO's Income from operation of Tiles & related businesses has decreased from Rs. 58,778.35 Lakhs in 2018-19 to Rs. 45,338.16 Lakhs in 2019-20 a decrease of 22.9%. Sales was lower mainly in the project business as the company focussed on retail segment sales by creating consumer focused product strategy and growing sales network. During FY 2019-20, there was volume growth of 16% in export sales. Company reduced the exposure on project customers considering the market and liquidity situation.

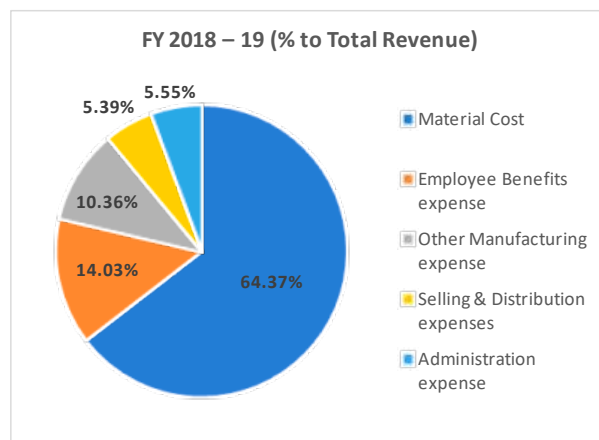
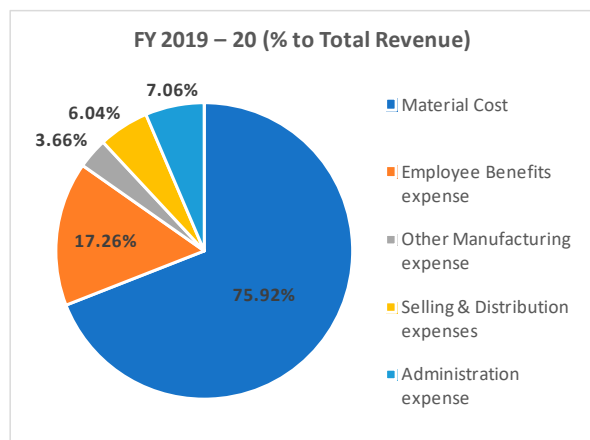
There was realization amounting to Rs. 499.30 Lakhs in 2019-20 from Real Estate business, as against Rs. 63.41 lakhs in the previous financial year. Due to sluggish economic scenario in India and depressed Real Estate market, the company could not get the desirable price for its Real Estate assets and hence the sale has been deferred.

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



## EBITDA & Expense

The Company had overall EBITDA (loss) of Rs. 3,874.34 Lakhs in FY 2019-20 against an EBITDA of Rs. 333.69 Lakhs in FY2018-19. Drop in EBITDA was mainly on account of decrease in sales due to recessionary market conditions. EBITDA loss from Tiles & related businesses have decreased to Rs. 3,688.41 Lakhs in FY 2019-20 against an EBITDA of Rs. 367.29 Lakhs in FY 2018-19 on account of decrease in sales, temporary lockout at Alibaug. EBITDA loss from Real Estate business have increased to Rs. 185.93 Lakhs in FY 2019-20 against an EBITDA of Rs. 31.24 Lakhs in FY2018-19.



## Finance costs

JMFARC has acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from Cut-Off date 28<sup>th</sup> February 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 & DBS 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 Rs 7,185.90 Lakhs as on March 31, 2020.

## Borrowings:

The total debt of the Company is as under:

Particulars	(Rs. in Lakhs)	
	2019-20	2018-19
Long term borrowings	55,195.95	74,312.27
Current maturity shown under "Current Liabilities"*	15,847.53	12,054.75
<b>Total Debt</b>	<b>71,043.48</b>	<b>86,367.02</b>

\*Pending realisation from sale of non-core assets, there was default in repayment of term loan installments of Rs. 6961.70 lakhs due to JMFARC, which was repayable as on 31.03.2020

## Working Capital

- Inventory has reduced from Rs. 14,336.52 Lakhs in 2018-19 to Rs. 9,334.92 Lakhs in 2019-20;
- Inventory –Real Estate has reduced from Rs. 15,575.65 Lakhs in 2018-19 to Rs. 15,000.00 Lakhs in 2019-20;
- Trade receivables have decreased from Rs. 20,497.82 Lakhs in 2018-19 to Rs. 14,482.08 Lakhs in 2019-20;
- Trade payables have decreased from Rs. 18,866.33 Lakhs in 2018-19 to Rs. 14,593.58 Lakhs in 2019-20.

## 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.

<b>Risk</b>	<b>Mitigation</b>
<p><b>Perception risk</b></p> <p>Inability to sustain historical growth rates could adversely impact brand perception.</p>	<p>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.</p>
<p><b>Business slowdown risk</b></p> <p>Indian economy could create a widening chasm between budgeted and actual ground realities.</p>	<p>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.</p>
<p><b>Competition risk</b></p> <p>Increasing competition can have an impact on margins.</p>	<p>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.</p>
<p><b>Technology or software obsolescence risk</b></p> <p>Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.</p>	<p>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.</p>
<p><b>Client attrition risk</b></p> <p>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.</p>	<p>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 Group, Prestige, Rahejas, Godrej, Oberoi Construction, DLF, L&amp;T, Shapoorji Pallonji Group, among others.</p>
<p><b>Human resource risk</b></p> <p>Attrition of key executives and personnel could affect the Company's growth prospects.</p>	<p>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.</p>
<p><b>Dealer attrition risk</b></p> <p>Dealers represent the Company's face to customers. Reduction in the number of dealers could affect sales and negate brand image.</p>	<p>The Company has introduced a fast-moving range of tiles new product launches, which has revitalised its distribution network.</p>



# **CORPORATE GOVERNANCE**

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Report

# 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, 2020, the Company's Board consisted of Six members which include Managing Director, 3 Independent Directors (including 1 Independent Women Director) 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, 2020 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		Directorship in other Listed Entities & Category of Directorship
				Memberships	Chairmanship	
1	Vivek Talwar DIN: 00043180	Executive Director	15	1	-	B L Kashyap and Sons Limited – Independent Director
2	Pradeep Saxena* DIN: 00288321	Non- Executive and Independent Director	02	-	-	-
3	Mr. Sharath Bolar DIN: 07009701	Non- Executive and Independent Director	-	-	-	-
4	Ms. Bharti Dhar DIN: 00442471	Non- Executive and Independent Director	2	-	-	Multibase India Limited – Independent Director
5	Mr. Vivek Grover DIN: 00421980	Non- Executive and Nominee Director	-	-	-	-
6	Ms. Samir Chawla DIN: 03499851	Non- Executive and Nominee Director	-	-	-	-
7	Mr. Siddharth Kothari^ DIN: 02594732	Non- Executive and Independent Director	3	2	-	India Home Loan Limited – 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 23<sup>rd</sup> April, 2019 due to his preoccupation. Mr. Pradeep Saxena vide letter dated April 23, 2019 has provided a confirmation that there is no other material reason for his resignation. A copy of the said was provided to the stock exchanges and also made available on the website of the company at <https://www.nitco.in/corporate/investors/announcements>

^ Mr. Siddharth Kothari was appointed as an Independent Director on the Board of the Company on July 15, 2019.

**(ii) DIRECTORS' PROFILE**

**Mr. Vivek Talwar**, son of Late Mr. Prannath 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. S.P 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.

**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 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. Prior to JM Financial, Mr. Kothari worked at Ernst and Young / Arthur Andersen for close to 8 years in taxation and investment structuring advisory services. Being the Managing Director of the manager to JM Financial India Fund I and JM Financial India Fund II, Mr. Kothari serves as the nominee director on its portfolio companies.

**(iii) DETAILS OF SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2020**

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	Mr. S.P. Bolar	4	4	Yes
3	Mrs. Bharti Dhar	4	4	Yes
4	Mr. Vivek Grover	4	4	No
5	Mr. Samir Chawla	4	3	No
6	Mr. Siddharth Kothari#	4	3	Yes

# Mr. Siddharth Kothari was appointed as an Independent Director on the Board of the Company on July 15, 2019. Meetings of the Board of Directors were held on May 31, 2019, August 09, 2019, November 06, 2019 and February 12, 2020.

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](http://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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 Companies Act, 2013 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 Key Managerial 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 12<sup>th</sup> February, 2020.

Mr. Pradeep Saxena, an Independent Director of the Company resigned with effect from 23<sup>rd</sup> April, 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 24<sup>th</sup> April, 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 Directors’ 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.

**(vii) BOARD SKILL MATRIX:**

The Board has identified the following skills/expertise/competencies required for effective functioning of the company which are currently available with the board:

<b>Sr. No.</b>	<b>Skill, Expertise and Competencies</b>	<b>Brief Particulars</b>	<b>Names of Directors who posses these skills</b>
1	Leadership	The Board members need to extend leadership experience for an enterprise resulting in a practical understanding of organisation, processes and risk management.  Board members need to demonstrate strengths in driving change and long term growth. They should be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value.	a) Mr. Vivek Talwar b) Mr. Sharath Bolar c) Mr. Siddharth Kothari d) Mr. Vivek Grover e) Mr. Samir Chawla
2	Financial Knowledge	The Board members need to have adequate financial knowledge. They need to have proficiency in financial management, capital allocation and financial reporting processes and should also have the ability to understand financial policies and accounting statements.	f) Ms. Bharti Dhar
3	Industry knowledge and experience	The Board members need to possess knowledge of the Industry/ business in which the company operates viz. Tiles, Marbles, Mosaic. The board members should also possess adequate knowledge about the real estate industry.	
4	Governance	The board members should have experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values	

### 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 Regulations and presently consists of Managing Director and three 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 Regulations.

The terms of reference of Audit Committee are in accordance with section 177 of Companies Act, 2013, and Regulation 18 read with Part C of Schedule II of the Listing Regulations. Brief description of the material terms of reference are as follows:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommend the appointment, remuneration and terms of appointment of auditors.
- c) Review, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the board for approval.
- d) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- e) Approval or any subsequent modification of Related Party Transactions.
- f) Scrutiny of inter-corporate loans and investments,
- g) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- h) Review the functioning of the whistle blower mechanism.

#### Composition, Meetings and Attendance

Sr. No.	Name of the Member	No. of meetings held	No. of meetings attended
1	*Mr. Siddharth Kothari -Chairman - Non-executive and Independent Director	4	2
2	Mr. Vivek Talwar- Managing Director	4	4
3	Mr. S.P. Bolar - Non-executive and Independent Director	4	4
4	#Ms. Bharti Dhar - Non-executive and Independent Director	4	2

\* Mr. Siddharth Kothari was appointed as member and chairman of Audit Committee w.e.f. August 09, 2019.

# Ms. Bharti Dhar was appointed as member of Audit Committee w.e.f. August 09, 2019.

Meetings of the Audit Committee of the Board of Directors were held on May 31, 2019, August 09, 2019, November 06, 2019 and February 12, 2020.

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, 2020 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	2	2
2	Mr. Vivek Talwar - Managing Director	2	2
3	*Ms. Bharti Dhar - Non-executive and Independent Director	2	0

Ms. Bharti Dhar was appointed as member of Stakeholders Relationship Committee w.e.f. August 09, 2019

Meetings of the Stakeholders Relationship Committee of the Board of Directors were held on May 31, 2019 and August 09, 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 31<sup>st</sup> March, 2020. Details of complaints received and redressed during the FY 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

The Chief Executive Officer and Chief Financial Officer are the permanent invitees at the Stakeholders Relationship Committee meetings. Mr. Puneet Motwani, Company Secretary is the Compliance Officer.

**(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 Directors' 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 committee is also authorised for allotment of shares under the ESOP scheme of the company.

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. Sharath Bolar – Chairman - Non-executive and Independent Director	4	4
2	*Mr. Siddharth Kothari - Non-executive and Independent Director	4	1
3	Ms. Bharti Dhar - Non-executive and Independent Director	4	4

\* Mr. Siddharth Kothari was appointed as a member of the Nomination & Remuneration Committee w.e.f. August 09, 2019.

Meetings of the Nomination and Remuneration Committee of the Board of Directors were held on April 03, 2019, July 08, 2019, August 09, 2019 and February 12, 2020

**Performance Evaluation Criteria for Independent Directors:**

The evaluation of Independent directors is done by the entire board except for the director who is being evaluated. A performance evaluation questionnaire is provided to all the board members to carry out the evaluation. Evaluation is carried on the basis of various factors which include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, maintenance of confidentiality and independence of behavior and judgment.

**(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.

The members of the committee are:

<b>Sr. No.</b>	<b>Name of the Member</b>
1	Ms. Bharti Dhar - Chairman- Non-executive and Independent Director
2	Mr. Sharath Bolar- Non-executive and Independent Director
3	Mr. Vivek Talwar – Managing Director

**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, 2020 are as under:

						(Rs. in lacs)
<b>Name of Directors</b>	<b>Category</b>	<b>Salary</b>	<b>Perquisites and other benefits</b>	<b>Commission</b>	<b>Sitting fees</b>	<b>Total</b>
Mr. Vivek Talwar*	Managing Director	-	-	-	-	-
Mr. Siddharth Kothari#	Independent Director	-	-	-	1.40	<b>1.40</b>
Mr. Sharath Bolar	Independent Director	-	-	-	2.30	<b>2.30</b>
Ms. Bharti Dhar	Independent Director	-	-	-	1.80	<b>1.80</b>
Mr. Vivek Grover <sup>Ⓐ</sup>	Nominee Director	-	-	-	1.20	<b>1.20</b>
Mr. Samir Chawla <sup>Ⓐ</sup>	Nominee Director	-	-	-	0.90	<b>0.90</b>

\* Mr. Vivek Talwar the Managing Director was not paid any salary during the year 2019-20.

# Mr. Siddharth Kothari was appointed as an Independent Director of the Company w.e.f. July 15, 2019.

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

None of the Directors hold any instrument convertible to shares.

**Criteria for making payments to Non-Executive Directors (NEDs):**

The company is hugely benefitted from the expertise, advice and inputs provided by the NEDs. The NEDs bring in a wider perspective in the deliberations and decision making of the Board which adds value to the company.

Following is the criteria for making payment to Non-executive directors of the company:

- Number of Board/ Committee meetings attended.
- Chairmanship of Committees

#### 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 Indian Accounting Standard - 24 "Related Party Disclosures", as notified under the Companies (Indian Accounting Standards) Rules, 2015, 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 <https://www.nitco.in/corporate/investors/nitco-policy>.

##### (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 except for the following:

- BSE & NSE levied a penalty for delay in holding the board meeting for declaration of financial results for the year ended March 31, 2019.
- BSE & NSE levied a penalty for non-compliance with the requirements of composition of Audit Committee and Nomination & Remuneration Committee. The company has taken the necessary actions in this regard and rectified the non-compliance.

##### (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 <https://www.nitco.in/corporate/investors/code-of-conduct>.

##### (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 Policies 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 <https://www.nitco.in/corporate/investors/nitco-policy>

##### (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 Rs. 17 Lakhs (Audit Fee of Financial Statements Rs. 14 lakhs and Other Services and out of pocket expenses of Rs. 3 lakhs) during the financial year 2019-20. None of the subsidiary companies have availed any services from the statutory auditors of the Company during the financial year 2019-20.

**(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 an amount of Rs. 97.5 crore in the financial year 2017-18 through referential allotment of shares/warrants and an entire amount has been utilized by the company 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 15<sup>th</sup> November, 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 2019-20 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.

**(Xiii) Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Company has a policy on prevention of Sexual Harassment at Workplace as per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) consisting of three members (including 1 external member) has been formed to address complaints regarding sexual harassment of women at workplace. During the year under review, no complaints were received by the ICC for redressal.

**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](http://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**

- The **Annual General Meeting** is scheduled to be held on 25th September, 2020 at 11.00 A.M through Video Conferencing.
- 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
2018-19	September 19, 2019	Thursday	11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001	Yes#
2017-18	September 18, 2018	Tuesday	11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> 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 <sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001	Yes*

# Re-appointment of Mr. Sharath Bolar and Ms. Bharti Dhar as Independent Directors for a further term of 5 years.

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

- (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
	<b>Total</b>		<b>37210076</b>	<b>97.7214</b>	<b>37210076</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
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
	<b>Total</b>		<b>17159617</b>	<b>96.0164</b>	<b>17159617</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
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
	<b>Total</b>		<b>1645727</b>	<b>10.3442</b>	<b>1645471</b>	<b>256</b>	<b>99.9844</b>	<b>0.0156</b>
<b>Total</b>		<b>71858955</b>	<b>56015420</b>	<b>77.9519</b>	<b>56015164</b>	<b>256</b>	<b>99.9995</b>	<b>0.0005</b>

- (v) Date of book closure:** 19<sup>th</sup> September, 2020 TO 25<sup>th</sup> September, 2020 (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

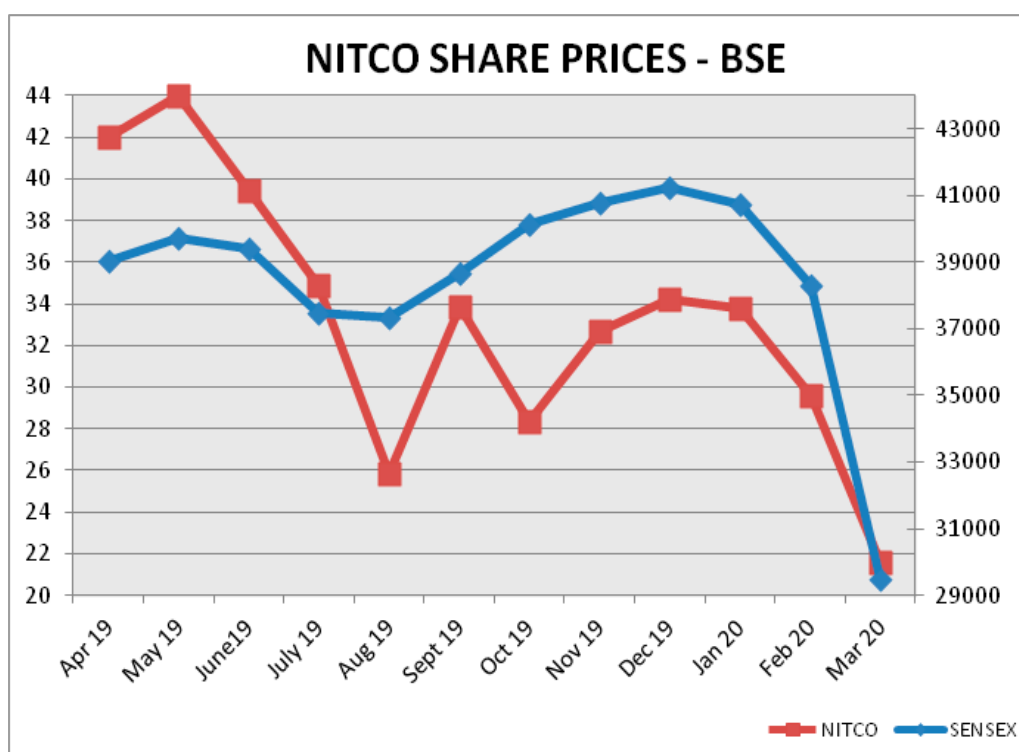
Demat International Security Identification Number in NSDL and CDSL for equity shares- ISIN - INE858F01012

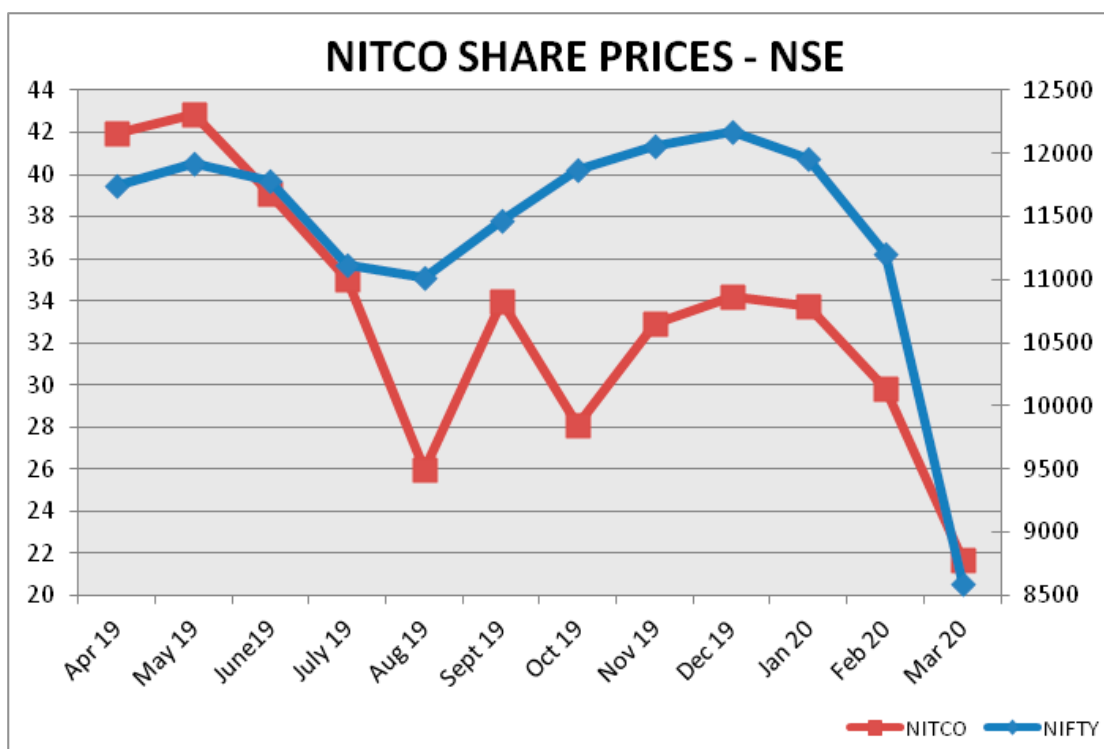
- (ix) Registrar and Share Transfer Agent/Address for correspondence :**

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 Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (Rs.)	Low (Rs.)	Close	High (Rs.)	Low (Rs.)	Close
April 2019	42.00	34.75	39031.55	42.00	34.60	11748.15
May 2019	44.00	31.00	39714.20	42.90	31.10	11922.80
June 2019	39.45	27.85	39394.64	39.10	27.80	11788.85
July 2019	34.90	20.00	37481.12	35.00	20.80	11118.00
August 2019	25.85	19.00	37332.79	26.00	18.45	11023.25
September 2019	33.85	21.25	38667.33	34.00	21.20	11474.45
October 2019	28.35	22.15	40129.05	28.10	22.00	11877.45
November 2019	32.70	22.15	40793.81	32.95	22.60	12056.05
December 2019	34.25	22.15	41253.74	34.20	26.50	12168.45
January 2020	33.75	22.15	40723.49	33.75	27.80	11962.10
February 2020	29.60	22.15	38297.29	29.80	19.80	11201.75
March 2020	21.60	22.15	29468.49	21.65	10.75	8597.75





**Shareholding pattern as on 31<sup>st</sup> March 2020:**

Category	No. of shares held	Percentage of total Shareholding
<b>(A) Promoter's holding</b>		
Promoters & Promoters' group	38087851	53.00
<b>Sub'total</b>	<b>38087851</b>	<b>53.00</b>
<b>(B) Public shareholding</b>		
Institutions	17216892	23.96
Central/State Government	86202	0.12
Non-Institutions	16468010	22.92
<b>Sub'total</b>	<b>33771104</b>	<b>47.00</b>
<b>Grand Total (A + B)</b>	<b>71858955</b>	<b>100.00</b>

**(xi) Distribution of shareholding as on 31<sup>st</sup> March 2020:**

No. of equity shares	No. of share holders	Percentage of Share holders	Share Amount (INR)	Percentage of Share holding
1 - 5000	15566	83.03	21481130	2.99
5001 - 10000	1568	8.36	13101090	1.82
10001 - 20000	778	4.15	12130980	1.69
20001 - 30000	284	1.51	7234270	1.01
30001 - 40000	112	0.60	4065730	0.57
40001 - 50000	109	0.58	5167560	0.72
50001 - 100000	148	0.79	11038140	1.54
100001 and above	183	0.98	644370650	89.67
<b>Total</b>	<b>18748</b>	<b>100.00</b>	<b>718589550</b>	<b>100</b>

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

**(xii) 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.

**(xiii) 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, 2019		Shareholders who approached the Registrar and Shares transferred in their favour during the year		Balance as on March 31, 2020	
	No. of records	No. of shares	No. of records	No. of shares	No. of records	No. of shares
Equity Shares	01	0	01	0	01	785

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

**(xiv) 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.

**(xv) 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.

**(xvi) 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.

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

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

**(xviii) Plant Locations**

The company's manufacturing units are strategically located in multiple states. The Marble division of the company is located at Silvassa (Dadra and Nagar Haveli) whereas the Vitrified and Wall Tiles division of the company is located at Morbi, Gujarat.

For and on behalf of the Board

Vivek Talwar

Chairman & Managing Director

DIN: 00043180

Mumbai, June 26, 2020



## 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 31<sup>st</sup> March 2020.

**For Nitco Limited**

**Vivek Talwar**

**Chairman & Managing Director**

**Date: June 26, 2020**

**Place: Mumbai**

## 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 31<sup>st</sup> March, 2020, 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**

**Kishore Rane  
Partner**

**Membership No. 100788**

**Date: July 03, 2020**

**Place: Mumbai**

## 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 31<sup>st</sup> March, 2020 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  
Managing Director**

**Ramesh Iyer  
Chief Financial Officer**

**Mahesh Shah  
Chief Executive Officer**

**Place: Mumbai  
Date: June 26, 2020**



# FINANCIAL

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Statements

# INDEPENDENT AUDITOR'S REPORT

**To the members of Nitco Limited**

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

## Opinion

We have audited the accompanying standalone Ind AS financial statements of Nitco Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Act and the Rules thereunder, 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 audit opinion on the standalone Ind AS financial statements.

## Emphasis of Matter

- 1 We draw attention to following Points due to which material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. However the accounts of the company have been prepared as a going concern:
  - i. The standalone financial results, which describes the extent to which the COVID -19 Pandemic will impact the Company's results which depend on the future developments that are highly uncertain.
  - ii. There is a default in repayment of term loan from JMFARC of Rs 6961.70 lakhs.
  - iii. Company is continuously making operating cash losses.
- 2 Lock out was declared in one of the main Tile Manufacturing unit of Company situated in Alibag in January 2020. However, 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 standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of investments in subsidiaries (as described in note 5 of the standalone Ind AS financial statements)	
<p>The carrying values of the Company's investments in subsidiaries are assessed annually by management for potential indicators of impairment.</p> <p>For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable</p> <p>We have identified the assessment of potential impairment of investments including corporate guarantees as a key audit matter because impairment assessment involves significant degree of management judgement in determining the key assumptions and forecasting future cash flows.</p>	<p>Our audit procedures included, among others the following:</p> <p>We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment;</p> <p>We have studied available financial information including considerations of the economic conditions and audited financial statements of the subsidiaries;</p> <p>We have evaluated the current approximate market price of the land, real estate properties where the subsidiaries have invested for computing the recoverable amount;</p> <p>We read and assessed the relevant disclosures made within the standalone Ind AS financial statements.</p>

### Other Information

The 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 standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

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

In preparing the standalone Ind AS 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.

The 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 standalone Ind AS 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 standalone Ind AS 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 risks of material misstatement of the standalone Ind AS 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 control.
- 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the 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 auditor's 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 (b) to the standalone Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There 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

ICAI Firm Registration Number: 117249W

**Kishore Rane**

Partner

Membership Number: 100788

Place of Signature: Mumbai

Date: 26<sup>th</sup> June, 2020

## 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 31 March 2020, 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 immovable property which amounts to gross block of Rs. 145.66 Lakh and net block of Rs. 127.61 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	Amount (Rs. Lakhs)	Period	Forum where dispute is pending
Service Tax	Input Tax Credit	2,534.35	Various periods	CESTAT
		288.03	Various periods	CESTAT- Ahmedabad
VAT / Central Sales Tax	Input Tax Credit / "C" forms	162.70	Various periods	Jt. Comm of Sales Tax Appeal
		332.88	Various periods	The Mumbai Sales Tax Tribunal, Maharashtra
		593.99	Various periods	Jt. Comm of Sales Tax Appeal, Maharashtra
		1.38	2013-14	Tribunal, Orissa
		237.21	Various periods	DCCT, Gujrat
		595.65	Various periods	Tribunal, UP
		16.89	Various periods	Addl. Com.-Grade-2, UP
		8.45	Various periods	Remanded to AO, Tamil Nadu
		0.83	2014-15	JCCT- Appeal -1, Karnataka
		13.21	2009-10	KVAT TRIBUNAL, Kerala
		1.72	Various periods	DC - Appeal, Kerala
		6.69	Various periods	Sr. Joint Commissioner- Revision Board, West Bengal
Custom Duty	Redemption Fine	300.00	Various periods	CESTAT, Mumbai
Income Tax	Income Tax	191.00	Various periods	Assessing Officer, Mumbai
GST		5.45	2018-19	Jurisdictional Assessing Officer, Bangalore
GST		4.48	2019-20	Jurisdictional Assessing Officer, Agra

- 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 institution was Rs 1,891.52 Lakh (period of default- 61 months), to a bank was Rs. 126.61 Lakh (Period of default - 30 months) and to ARC Rs. 6961.70 Lakh (Period of default – 1 day).
- ix. In our opinion and according to the information and explanations given to us, the Company has not raise 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

#### Kishore Rane

Partner

M.No : 100788

Place : Mumbai

Date : 26<sup>th</sup> June 2020

## 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 2020, 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 2020, 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

#### Kishore Rane

Partner

M No:100788

Place : Mumbai

Date : 26<sup>th</sup> June 2020

# BALANCE SHEET

as at March 31, 2020

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	41,687.37	44,249.35
Capital work-in-progress		403.34	502.80
Intangible assets	4	9.67	10.72
<b>Financial assets</b>			
Investments	5	694.59	2,734.72
Other Financial assets	6	3,399.76	3,671.51
Other non-current assets	7	1,882.38	3,296.38
		<b>48,077.11</b>	<b>54,465.48</b>
<b>Current assets</b>			
Inventories	8	9,334.92	14,336.52
Inventories - Real Estate	9	15,000.00	15,575.65
<b>Financial assets</b>			
Trade receivables	10	14,482.08	20,497.82
Cash and cash equivalents	11	823.82	1,416.98
Other bank balances	12	-	4,423.26
Loans	13	6,090.00	8,988.65
Other financial assets	14	64.98	38.49
Other current assets	15	4,618.61	5,564.44
		<b>50,414.41</b>	<b>70,841.81</b>
<b>Total Assets</b>		<b>98,491.52</b>	<b>1,25,307.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	7,185.90	7,185.90
Share warrants	17	-	1,750.00
Other equity	18	(1,654.84)	2,789.73
		<b>5,531.06</b>	<b>11,725.63</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	55,195.95	74,312.27
Provisions	20	186.11	179.26
Income Tax	21	-	-
		<b>55,382.06</b>	<b>74,491.53</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	22	14,593.58	18,866.33
Other financial liabilities	23	17,391.10	13,450.45
Other current liabilities	24	5,254.83	6,440.08
Provisions	25	338.89	333.27
		<b>37,578.40</b>	<b>39,090.13</b>
<b>Total Equity and Liabilities</b>		<b>98,491.52</b>	<b>1,25,307.29</b>

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 &amp; Rane

Chartered Accountants

FRN No. 117249W

Kishore Rane

Partner

Membership No.: 100788

Place : Mumbai

Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

**Bharti Dhar**  
Director

(DIN: 00442471)

**Ramesh Iyer**  
CFO

**Sharath Bolar**  
Director

(DIN: 07009701)

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

# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2020

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	26	45,837.46	58,841.76
Other Income	27	681.85	159.28
<b>Total Income</b>		<b>46,519.31</b>	<b>59,001.04</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	3,784.40	11,631.10
Purchase of stock-in-trade		27,482.05	26,738.13
Changes in inventories of finished goods, stock in trade and work-in-progress	29	3,533.31	(494.54)
Employee benefits expense	30	7,913.65	8,257.93
Finance costs	31	2,321.30	1,912.53
Depreciation and amortisation expense	32	3,054.03	3,111.80
Other expenses	33	7,680.25	12,534.73
<b>Total Expenses</b>		<b>55,768.99</b>	<b>63,691.68</b>
<b>Profit /(Loss) before tax before exceptional items</b>		<b>(9,249.68)</b>	<b>(4,690.64)</b>
Exceptional items - gain/(loss)		3,212.92	-
<b>Profit /(Loss) before tax after exceptional items</b>		<b>(6,036.76)</b>	<b>(4,690.64)</b>
Tax expense:			
Current Tax (earlier years)		(82.35)	-
Deferred Tax		-	-
<b>Profit /(Loss) for the year</b>		<b>(6,119.11)</b>	<b>(4,690.64)</b>
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans	34	(14.25)	15.27
Income tax effect on such items			-
Total other comprehensive income for the year, net of tax		(14.25)	15.27
<b>Total comprehensive income/(Loss) for the year, net of tax</b>		<b>(6,133.36)</b>	<b>(4,675.37)</b>
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	35	(8.54)	(6.51)
(2) Diluted		(8.54)	(6.51)

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

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

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

**Ramesh Iyer**  
CFO

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

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

# STATEMENT OF CHANGE IN EQUITY

For the year ended March 31, 2020

## A. Equity share capital

(Rs. in Lakh)	
Particulars	Amount
As at April 1, 2019	7,185.90
Changes during the year	-
<b>As at March 31, 2020</b>	<b>7,185.90</b>

## B. Share warrants

(Rs. in Lakh)	
Particulars	Amount
As at April 1, 2019	1,750.00
Changes during the year	1750.00
<b>As at March 31, 2020</b>	<b>-</b>

## 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)	Other items of other comprehensive income (Remeasurements of defined benefit obligations)	
<b>As at 1 April 2019</b>	<b>125.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(44,717.98)</b>	<b>(21.21)</b>	<b>2,789.73</b>
Net income / (loss) for the year	-	-	-	-	(6,119.11)	-	(6,119.11)
Other comprehensive income	-	-	-	-	-	(14.25)	(14.25)
Unsubscribed Share warrants	1,750.00	-	-	-	-	-	1750.00
Adjustment towards fair valuation	-	-	-	-	(61.21)	-	(61.21)
<b>As at 31 March 2020</b>	<b>1,875.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(50,898.30)</b>	<b>(35.46)</b>	<b>(1,654.84)</b>
<b>As at 1 April 2018</b>	<b>125.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(40,027.34)</b>	<b>(36.48)</b>	<b>7,465.10</b>
Net income / (loss) for the year	-	-	-	-	(4,690.64)	-	(4,690.64)
Other comprehensive income	-	-	-	-	---	15.27	15.27
<b>As at 31 March 2019</b>	<b>125.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(44,717.98)</b>	<b>(21.21)</b>	<b>2,789.73</b>

In terms of our report of even date annexed

**For Nayak & Rane**  
Chartered Accountants

FRN No. 117249W

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

**For and on behalf of the Board**

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

**Mahesh Shah**  
CEO

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

**Ramesh Iyer**  
CFO

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

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

# CASH FLOW STATEMENT

For the year ended March 31, 2020

(Amount in Rupees Lakhs, unless otherwise stated)

	Year ended March 31, 2020		Year ended March 31, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax & exceptional items		(9,249.68)		(4,690.64)
Adjusted for :				
Depreciation & amortisation expense	3,054.03		3,111.80	
(Profit)/Loss on sale of Property, plant & equipment (Net)	(1.50)		9.90	
Finance costs	2,321.30	5,373.83	1,912.53	5,034.23
Operating Profit before Working Capital Changes		(3,875.85)		343.60
Working capital adjustments:				
Adjustment for (increase)/decrease:				
(Increase)/decrease in inventories	2,401.65		91.36	
(Increase)/decrease in trade receivables	4,014.51		(2,378.93)	
(Increase)/decrease in other receivables	4,618.14		507.13	
Increase/(decrease) in trade and other payables	(6,120.16)		3,304.02	
Increase/(decrease) in provisions	(1.77)	4,912.37	17.90	1,541.48
Cash Generated from Operations		1,036.52		1,885.08
Taxes paid (net of refunds)		1,257.66		(190.00)
<b>Net Cash from operating activities</b>		<b>2,294.18</b>		<b>1,695.08</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(390.04)		(985.76)	
<b>Net Cash used in Investing activities</b>		<b>(390.04)</b>		<b>(985.76)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(3,093.75)		(569.32)	
Advance to Subsidiary companies	1,115.39		(2.62)	
Finance costs (net)	(518.94)		-	
<b>Net Cash flow from in Financing Activities</b>		<b>(2,497.30)</b>	<b>-</b>	<b>(571.94)</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(593.16)</b>		<b>137.38</b>
Cash and Cash Equivalents at the beginning of the year		1,416.98		1,279.60
Cash and Cash Equivalents at the end of the year		823.82		1,416.98
<b>Components of cash and cash equivalents at the end of the year</b>				
Cash on hand		3.57		9.44
Balance in current account and deposits with banks		820.25		1,407.54
<b>Cash and Cash Equivalents at the end of the year</b>		<b>823.82</b>		<b>1,416.98</b>

# CASH FLOW STATEMENT

For the year ended March 31, 2020

## Reconciliation of liabilities arising from financing activities:

(Rs. in Lakh)

	As at 31 March 2019	Cash Flows	Interest Accrued / Writeback	As at 31 March 2020
Redeemable Non-Convertible Preference Shares	15,000.00			15,000.00
Redeemable Non-convertible Debentures	5,000.00			5,000.00
Unsustainable debt	14,032.15		(14,032.15)	-
Long-term borrowings including current maturities of long-term debts	52,226.16	3,051.12	1,802.36	50,977.40
Lease liabilities (including current maturities of finance lease obligations)	108.71	42.63		66.08
<b>Total liabilities from financing activities</b>	<b>86,367.02</b>	<b>3,093.75</b>	<b>(12,229.79)</b>	<b>71,043.48</b>

In terms of our report of even date annexed

For and on behalf of the Board

**For Nayak & Rane**  
Chartered Accountants

**Vivek Talwar**  
Chairman & Managing  
Director

**Bharti Dhar**  
Director

**Sharath Bolar**  
Director

FRN No. 117249W

(DIN: 00043180)

(DIN: 00442471)

(DIN: 07009701)

**Kishore Rane**  
Partner  
Membership No.: 100788

**Mahesh Shah**  
CEO

**Ramesh Iyer**  
CFO

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

Place : Mumbai  
Dated: June 26, 2020

## NOTES ON THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2020

### 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 Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) 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:

# NOTES ON THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

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 Rs. 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. Share-based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

#### **c. Leases**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straightline method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **d. 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.

#### **e. 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.

#### **f. 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.

#### **g. 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 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.

#### **h. 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.

#### **i. 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 Profits 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 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.

**j. 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 Actuarial valuation report and other benefits like gratuity have been classified as current.

**k. 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.

**l. 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.

#### **m. 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

#### **n. 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”.

#### **o. 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.

#### **p. 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

#### **q. COVID' 19 Assessment**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of plant and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31<sup>st</sup> March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

## 3. Property, plant and equipment

(Rs. in Lakh)

Particulars	Freehold Land	Leasehold Land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Total Assets
<b>Cost</b>										
As at April 1, 2018	6,003.57	145.66	19,694.53	1,108.95	55,259.35	1,033.71	2,506.25	3,680.54	749.63	90,182.19
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
<b>As at March 31, 2019</b>	<b>6,003.57</b>	<b>145.66</b>	<b>19,861.73</b>	<b>1,148.65</b>	<b>55,474.17</b>	<b>1,047.23</b>	<b>2,717.72</b>	<b>3,680.54</b>	<b>781.82</b>	<b>90,861.09</b>
Additions	-	-	70.09	47.22	227.41	43.78	98.97	-	1.68	489.15
Disposals	-	-	-	39.73	2.94	-	2.32	-	-	44.99
<b>As at March 31, 2020</b>	<b>6,003.57</b>	<b>145.66</b>	<b>19,931.82</b>	<b>1,156.14</b>	<b>55,698.64</b>	<b>1,091.01</b>	<b>2,814.37</b>	<b>3,680.54</b>	<b>783.50</b>	<b>91,305.25</b>
<b>Depreciation</b>										
As at April 1, 2018	-	11.99	8,974.98	1,028.88	27,654.49	926.50	2,205.90	2,192.43	624.14	43,619.31
Depreciation charge for the year	-	3.05	636.69	38.95	2,063.51	59.92	71.87	151.36	81.20	3,106.55
Disposals	-	-	-	20.00	46.64	-	0.61	-	46.87	114.12
<b>As at March 31, 2019</b>	<b>-</b>	<b>15.04</b>	<b>9,611.67</b>	<b>1,047.83</b>	<b>29,671.36</b>	<b>986.42</b>	<b>2,277.16</b>	<b>2,343.79</b>	<b>658.47</b>	<b>46,611.74</b>
Depreciation charge for the year	-	3.01	618.85	48.07	2,077.96	23.14	78.72	151.36	47.27	3,048.38
Disposals	-	-	-	39.70	0.34	-	2.20	-	-	42.24
<b>As at March 31, 2020</b>	<b>-</b>	<b>18.05</b>	<b>10,230.52</b>	<b>1,056.20</b>	<b>31,748.98</b>	<b>1,009.56</b>	<b>2,353.68</b>	<b>2,495.15</b>	<b>705.74</b>	<b>49,617.88</b>
<b>Net book value :</b>										
<b>As at March 31, 2020</b>	<b>6,003.57</b>	<b>127.61</b>	<b>9,701.30</b>	<b>99.94</b>	<b>23,949.66</b>	<b>81.45</b>	<b>460.69</b>	<b>1,185.39</b>	<b>77.76</b>	<b>41,687.37</b>
<b>As at March 31, 2019</b>	<b>6,003.57</b>	<b>130.62</b>	<b>10,250.06</b>	<b>100.82</b>	<b>25,802.81</b>	<b>60.81</b>	<b>440.56</b>	<b>1,336.75</b>	<b>123.35</b>	<b>44,249.35</b>

Notes:

I. 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)

	(Rs. in Lakh)
	<b>Amount</b>
<b>Cost</b>	
As at April 1, 2018	422.60
Additions	6.56
Disposals	-
<b>As at March 31, 2019</b>	<b>429.16</b>
Additions	4.60
Disposals	-
<b>As at March 31, 2020</b>	<b>433.76</b>
<b>Amortisation</b>	
As at April 1, 2018	413.19
Amortisation charge for the year	5.25
Disposals	-
<b>As at March 31, 2019</b>	<b>418.44</b>
Amortisation charge for the year	5.65
Disposals	-
<b>As at March 31, 2020</b>	<b>424.09</b>
<b>Net book value :</b>	
<b>As at March 31, 2020</b>	<b>9.67</b>
<b>As at March 31, 2019</b>	<b>10.72</b>

## 5. Investments

	(Rs. in Lakh)	
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Investments in subsidiaries		
(a) Investments in equity shares (unquoted)		
Nitco Realities Private Limited:		
2,00,000 Equity shares of Rs.1 each fully paid up	694.59	694.59
New Vardhman Vitrified Private Limited:		
1,27,50,000 Equity shares of Rs.10 each fully paid up	1,561.35	1,561.35
Less : Provision for diminution in the value of investment (Refer note below)	1,561.35	-
<b>Total</b>	<b>694.59</b>	<b>2,255.94</b>
(b) Investments in preference shares (unquoted)		
New Vardhman Vitrified Private Limited:		
47,87,763 Equity shares of Rs.10 each fully paid up	478.78	478.78
Less : Provision for diminution in the value of investment (Refer note below)	478.78	
<b>Total</b>	<b>-</b>	<b>478.78</b>
<b>Aggregate value of unquoted investments</b>	<b>694.59</b>	<b>2,734.72</b>

As on 31<sup>st</sup> March 2020, management has considered that the losses suffered by New Vardhman Vitrified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the investment in subsidiary. Accordingly, management has estimated a provision of Rs. 2,040.13 Lakhs as a diminution in the carrying value of its investment. Decision of the management is mainly based on existing market conditions.

6. Other financial assets

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balances with Banks - Held as Margin Money	2,300.75	2,264.79
Security Deposits	1,099.01	1,406.72
<b>Total</b>	<b>3,399.76</b>	<b>3,671.51</b>

7. Other non-current assets

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Income Tax Payment (Net)	667.29	1,842.60
*Capital Advances	995.99	1,453.78
Prepaid Lease rental	219.10	-
<b>Total</b>	<b>1,882.38</b>	<b>3,296.38</b>

\* Capital advance pertaining Real estate business which is expected to settled within 12 months.

8. Inventories

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,178.97	2,094.31
Work-in-progress	-	221.14
Finished Goods	6,800.59	10,776.35
Stock in trade	1,165.65	488.25
Stores and spares	189.71	756.47
<b>Total</b>	<b>9,334.92</b>	<b>14,336.52</b>

The inventory is net of provision for slow moving, non-moving and old inventory of Rs. 3175.60 lakhs (previous year Nil)

9. Inventories - Real Estate

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Land at Kanjurmarg	15,000.00	15,000.00
Biz Park at Thane	-	575.65
<b>Total</b>	<b>15,000.00</b>	<b>15,575.65</b>

10. Trade receivables

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Trade receivables - Unsecured		
Considered good	14,482.08	20,497.82
Considered doubtful	3,110.30	869.06
	<b>17,592.38</b>	<b>21,366.88</b>
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	(3,110.30)	(869.06)
<b>Total</b>	<b>14,482.08</b>	<b>20,497.82</b>

\*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Also refer Note 43 (iii).



	(Rs. in Lakh)
	<b>Amount</b>
<b>Balance as at 1 April, 2018</b>	<b>693.13</b>
Add : Created during the year	181.42
Less : Released during the year	(5.49)
<b>Balance as at 31 March, 2019</b>	<b>869.06</b>
Add : Created during the year	2,241.24
Less : Released during the year	-
<b>Balance as at 31 March, 2020</b>	<b>3,110.30</b>

**11. Cash and cash equivalents**

	(Rs. in Lakh)	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Balances with banks</b>		
On current accounts	820.25	1,407.54
Cash on hand	3.57	9.44
<b>Total</b>	<b>823.82</b>	<b>1,416.98</b>

**12. Other bank balances**

	(Rs. in Lakh)	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Fixed Deposits with Banks	-	4,423.26
<b>Total</b>	<b>-</b>	<b>4,423.26</b>

**13. Loans**

	(Rs. in Lakh)	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Loans to Related Parties - refer note 36 (c)		
Unsecured, Considered Good *	7,867.32	8,982.71
Less: Impairment of non-current investment in subsidiary #	(1,791.97)	-
Other Loans & Advances		
Unsecured, Considered Good	14.65	5.94
<b>Total</b>	<b>6,090.00</b>	<b>8,988.65</b>

\* Loans to Related Parties consists Rs. 6,073.10 Lakhs paid to Nitco Realities Pvt. Ltd. which is expected to settled within 12 months as Nitco Realities Pvt. Ltd. is already in the process of monetizing its real estate assets.

# As on 31<sup>st</sup> March 2020, management has considered that the losses suffered by New Vardhman Vitrified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the loans given to subsidiary. Accordingly, management has estimated a provision of Rs. 1,791.97 Lakhs as a diminution in the carrying value of its loans. Decision of the management is mainly based on existing market conditions.

**Disclosure required by SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015:**
**Loans and advances in the nature of loans given to the subsidiary:**

	(Rs. in Lakh)			
	Loans Outstanding as at		Maximum amount outstanding during the year ended on	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Nitco Realities Pvt. Ltd.	6,073.10	7,038.59	7,038.59	7,038.59
New Vardhman Vitriified Pvt. Ltd.	-	1,941.87	1,941.87	1,941.87
Meghdoot Properties Pvt. Ltd.	0.57	0.57	0.57	0.57
Maxwealth Properties Pvt. Ltd.	0.57	0.57	0.57	0.57
Feel Better Housing Pvt. Ltd.	0.57	0.57	0.57	0.57
Silver-Sky Real Estates Pvt. Ltd.	0.55	0.55	0.55	0.55

**14. Other financial assets**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Others (Unsecured considered good unless otherwise stated)	64.98	38.49
<b>Total</b>	<b>64.98</b>	<b>38.49</b>

**15. Other current assets**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balance with statutory authorities	3,515.13	3,300.26
Advances for supply of goods and rendering of services	701.36	1,883.49
Prepaid expenses/Other Receivables	255.13	224.17
Other Assets	146.99	156.52
<b>Total</b>	<b>4,618.61</b>	<b>5,564.44</b>

**16. Equity share capital**

	As at March 31, 2020		As at March 31, 2019	
	Nos.	Rs. in Lakh	Nos.	Rs. in Lakh
<b>Authorised:</b>				
<b>Equity Shares:</b>				
Equity shares of Rs.10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00
<b>Preference Shares:</b>				
Redeemable Preference Shares of Rs.10 each	15,00,00,000	1,50,00.00	15,00,00,000	1,50,00.00
<b>Issued, Subscribed and Paid-up</b>				
<b>Equity Shares:</b>				
Equity shares of Rs.10/- each	7,18,58,955	7,185.90	7,18,58,955	7,185.90
<b>Total</b>	<b>7,18,58,955</b>	<b>7,185.90</b>	<b>7,18,58,955</b>	<b>7,185.90</b>

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

	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	7,18,58,955	7,185.90	7,18,58,955	7,185.90
Issued during the year	-	-	-	-
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:**

	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	Number of shares held having face value of Rs.10 each	% of holding in class	Number of shares held having face value of Rs.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 Rs. 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**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
6131745 Warrants (convertible into Equity) of Rs.10/- each 25% paid up	-	1,750.00
<b>Total</b>	-	<b>1,750.00</b>

During FY 2017-18, Company issued 61,31,745 Convertible Warrants (the "Warrants") at an issue price of Rs. 114.16 per warrant to JMFARC, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of Rs. 10/- each fully paid-up at a premium of Rs. 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. Rs. 1750 lakhs, being 25% of the consideration of total the Warrants issued, was received by the company before allotment of the Warrants. As the warrant holder have not paid the balance consideration to exercise of option of conversion against each such warrant and have not applied for allotment of equity share holder, the same amount was transferred to Capital Reserve.

## 18. Other equity

(Rs. in Lakh)

Particulars	Reserves and Surplus					Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)	
Notes	(a)	(b)	(c)	(d)	(e)	
As at 1 April 2019	125.68	42,591.33	965.00	3,846.91	(44,739.19)	2,789.73
Net income / (loss) for the year	-	-	-	-	(6,119.11)	(6,119.11)
Other comprehensive income	-	-	-	-	(14.25)	(14.25)
Unsubscribed Share warrants	1,750.00	-	-	-	-	1750.00
Adjustment towards fair valuation					(61.21)	(61.21)
<b>As at 31 March 2020</b>	<b>1,875.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(50,933.76)</b>	<b>(1,654.84)</b>
As at 1 April 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
<b>As at 31 March 2019</b>	<b>125.68</b>	<b>42,591.33</b>	<b>965.00</b>	<b>3,846.91</b>	<b>(44,739.19)</b>	<b>2,789.73</b>

Note (a) Capital Reserve is created on account of amalgamation of Particle Boards India Limited with the Company pursuant to the Scheme of Amalgamation in the financial year 2010-11 & unexercised share warrants in the financial year 2019-20.

Note (b) Share Premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note (c) Capital Redemption Reserve is created on account of redemption of preference shares. The preference shares were redeemed in the financial years 2003-04.

Note (d) General Reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another.

Note (e) Retained earnings/(losses) represents cumulative profit of the Company. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

## 19. Borrowings

(Rs. in Lakh)

	As at March 31, 2020	As at March 31, 2019
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	35,169.36	54,252.25
Long term maturities of finance lease	26.59	60.02
<b>Total</b>	<b>55,195.95</b>	<b>74,312.27</b>

- 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
- During FY 2017-18, the debt of the Company was restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. 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

(Rs. in Lakh)

Type of loan	Loan outstanding as at 31.3.2020			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
<b>Term loans assigned to JM Financial Assets Reconstruction Company</b>							
Term loans Facility 1 (secured)	22,238.90	5328.00	27,566.90	20000.00	9%	20 structured quarterly installments commencing from FY 2019	<ul style="list-style-type: none"> <li>• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company</li> <li>• Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company</li> </ul>
Term loans Facility 2 (secured)	12,930.46	8461.90	21,392.36	30000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	<ul style="list-style-type: none"> <li>• Pledge of shares held by promoters in Nitco Limited and six associate companies,</li> <li>• Pledge of shares held by Aurella Estate &amp; Investments Pvt. Ltd. in Nitco Limited, shares held by Nitco Realities Pvt. Ltd. in on Id by Nitco Limited in New Vardhman Vitirified Pvt. Ltd.</li> </ul>
Redeemable Non-Convertible Preference Shares	15,000.00	-	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 28th February 2018.	<ul style="list-style-type: none"> <li>• Negative lien on Non-Core Assets of the Company</li> </ul>
Redeemable Non-convertible Debentures	5,000.00	-	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).	<ul style="list-style-type: none"> <li>• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/ associate companies</li> </ul>
<b>Total (A)</b>	<b>55,169.36</b>	<b>13,789.90</b>	<b>68,959.26</b>				

19.1 Interest and repayment schedule for secured long term borrowings (contd.) (Rs. in Lakh)

Type of loan	Loan outstanding as on 31.3.2020			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
<b>Term loans not assigned to JM Financial Assets Reconstruction Company</b>							
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	-	224.86	224.86	2,000.00	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	
Term loan from Bank	-	126.61	126.61	\$ 8 million	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	26.59	39.49	66.08	203.00		Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
<b>Total (B)</b>	<b>26.59</b>	<b>2,057.63</b>	<b>2,084.22</b>				
<b>Grand Total (A+B)</b>	<b>55,195.95</b>	<b>15,847.53</b>	<b>71,043.48</b>				

- i. JM Financial Asset Reconstruction Company Limited (JMFARC) representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis vide their sanction letter dated 23<sup>rd</sup> January 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**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	186.11	179.26
<b>Total</b>	<b>186.11</b>	<b>179.26</b>

**21. Income taxes**

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

**22. Trade payables**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
<b>Trade payables</b>		
- total outstanding dues of micro and small enterprises	1,483.66	2,200.30
- total outstanding dues of creditors other than micro and small enterprises	13,109.92	16,666.03
<b>Total</b>	<b>14,593.58</b>	<b>18,866.33</b>

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:

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
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	1,483.66	2,200.30
- 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	19.92	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

**23. Other financial liabilities**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	15,847.53	12,054.75
Deposits received	191.50	-
Other Advances	812.14	846.35
Amount payable to capital creditors	461.62	461.62
Interest accrued but not due on borrowings	56.39	66.50
Unclaimed dividends	21.92	21.23
<b>Total</b>	<b>17,391.10</b>	<b>13,450.45</b>

**24. Other current liabilities**

	As at March 31, 2020	As at March 31, 2019
Other payable	5,254.83	6,440.08
<b>Total</b>	<b>5,254.83</b>	<b>6,440.08</b>

(Rs. in Lakh)

**25. Provisions**

	As at March 31, 2020	As at March 31, 2019
Provision for Leave Encashment	80.42	87.70
Provision for Gratuity	258.47	245.57
<b>Total</b>	<b>338.89</b>	<b>333.27</b>

(Rs. in Lakh)

**26. Revenue from operations**

	Year ended March 31, 2020	Year ended March 31, 2019
Sales		
Tiles & Related products	45,134.81	58,501.81
Real estate	499.30	63.41
	<b>45,634.11</b>	<b>58,565.22</b>
Other operating revenues		
Labour charges	55.91	96.74
Lease rental	27.49	63.41
Other Operating income	119.95	116.39
	<b>203.35</b>	<b>276.54</b>
<b>Total</b>	<b>45,837.46</b>	<b>58,841.76</b>

(Rs. in Lakh)

**27. Other income**

	Year ended March 31, 2020	Year ended March 31, 2019
Rent Received	27.46	32.69
Miscellaneous income	654.39	126.59
<b>Total</b>	<b>681.85</b>	<b>159.28</b>

(Rs. in Lakh)

**28. Cost of material consumed**

	Year ended March 31, 2020	Year ended March 31, 2019
Body Material	883.42	2,086.12
Glaze Material	308.40	1,521.93
Marble blocks/slabs	1,828.69	7,114.03
Packing Material	188.24	909.02
Others (Real Estate)	575.65	-
<b>Total</b>	<b>3,784.40</b>	<b>11,631.10</b>

(Rs. in Lakh)



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

	(Rs. in Lakh)	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Stock in Trade - Opening	488.25	149.92
Stock in Trade - Closing	1,165.65	488.25
	<b>(677.40)</b>	<b>(338.33)</b>
Work in Progress - Opening	221.14	364.94
Work in Progress - Closing	-	221.14
	<b>221.14</b>	<b>143.80</b>
Finished Goods (Mfg.) - Opening	10,790.16	10,490.15
Finished Goods (Mfg.) - Closing	6,800.59	10,790.16
	<b>3,989.57</b>	<b>(300.01)</b>
<b>Total Change in Inventories</b>	<b>3,533.31</b>	<b>(494.54)</b>

**30. Employee benefits expense**

	(Rs. in Lakh)	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Employee Costs	7,547.10	7,714.10
Other Employee Costs	366.55	543.83
<b>Total</b>	<b>7,913.65</b>	<b>8,257.93</b>

**31. Finance costs**

	(Rs. in Lakh)	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Interest on debt and borrowings	2,284.37	1,841.22
Other financial charges	36.93	71.31
<b>Total</b>	<b>2,321.30</b>	<b>1,912.53</b>

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**

	(Rs. in Lakh)	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Depreciation of property, plant and equipment (refer note 3)	3,048.38	3,106.55
Amortisation of intangible Assets (refer note 4)	5.65	5.25
<b>Total</b>	<b>3,054.03</b>	<b>3,111.80</b>

## 33. Other expenses

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Other Manufacturing Expenses</b>		
*Power and fuel	1,083.54	4,775.82
Consumption of stores and spare parts.	319.45	891.68
	<b>1,402.99</b>	<b>5,667.50</b>
<b>Repairs and Maintenance</b>		
Buildings	17.69	45.20
Machinery	173.78	260.33
Others Repairs & Maintenance	165.41	130.72
	<b>356.88</b>	<b>436.25</b>
<b>Administrative Expenses</b>		
Rent Rates and Taxes	583.32	591.00
Electricity Charges Office & Depot	145.64	127.23
Processing Charges Mosaico/Marble	89.10	156.97
Water Charges	10.42	9.72
Postage and Telephone	177.27	141.00
Printing and Stationery	19.79	16.54
Insurance	152.91	265.26
Legal and Professional Fees	313.04	318.27
Travelling & Conveyance Expenses	1,023.93	1,026.73
Audit Fees	14.00	10.00
Hire Charges	139.63	191.19
Security Charges	137.57	124.77
Applicable net gain/loss on foreign currency transactions and translation	84.02	64.84
Miscellaneous Expenses	263.38	215.52
	<b>3,154.02</b>	<b>3,259.04</b>
<b>Selling and distribution expenses</b>		
Advertisement & Sales Promotion Expenses	1,224.54	1,082.27
Freight Forwarding & Distribution Expenses	1,154.26	1,653.36
C&F Charges	136.87	230.88
Provision for Doubtful Debts	240.00	175.94
Bad Debts	10.68	29.49
	<b>2,766.35</b>	<b>3,171.94</b>
<b>Total</b>	<b>7,680.25</b>	<b>12,534.73</b>

\*The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2019-20, the company has sold power to MSEDCL amounting to Rs. 285.03 lakhs (previous year Rs. 662.12 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 22<sup>nd</sup> March 2019. Post expiry of initial Power Purchase Agreement, generation from windmill was sold to MSEDCL as prevailing rate (current year Rate Rs. 2.52 per Kwh, (previous year Rate Rs. 5.30 per Kwh)

**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 31 March 2019**

	(Rs. in Lakh)	
	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	15.27	15.27
Income tax effect	-	-
<b>Total</b>	<b>15.27</b>	<b>15.27</b>

**During the year ended 31 March 2020**

	(Rs. in Lakh)	
	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	(14.25)	(14.25)
Income tax effect	-	-
<b>Total</b>	<b>(14.25)</b>	<b>(14.25)</b>

**35. Earnings per share (EPS)**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit/ (Loss) for the year (Rs.)	(6,133.36)	(4,675.37)
Equity shares at the beginning of the year (nos.)	718.59	718.59
Equity shares issued during the year	-	-
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	718.59
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	718.59	718.59
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(8.54)	(6.51)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(8.54)	(6.51)

**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, 2020	As at March 31, 2019
<b>Subsidiaries</b>			
New Vardhman Vitriified Pvt. Ltd.	India	51	51
Nitco Realities Private Limited	India	100	100
<b>Fellow Subsidiaries</b>			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at March 31, 2020	As at March 31, 2019
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

**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

Mr. Pradeep Saxena (resigned from the Board w.e.f. 23<sup>rd</sup> April, 2019)

Mr. Sharath Padmanabh Bolar

Mrs. Bharti Pradeep Dhar

Mr. Siddharth Pradip Kothari

**Post - employment benefit plans**

Nitco Limited Employees Group Gratuity Schemes

Nitco Tiles Ltd. Superannuation Fund

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

Anjali Talwar – Wife

Rohan Talwar - Son

Poonam Talwar - Sister

**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

Saumya Buildcon Pvt. Ltd.

Nitco Paints Pvt.Ltd.

B) Transactions with related parties

(Rs. in Lakh)

Transactions	Year ended March 31, 2020					Year ended March 31, 2019				
	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
<b>Sale of Goods</b>										
New Vardhman Vitrifed Pvt Ltd	-				-	0.54				0.54
<b>Purchase of Traded Goods</b>										
New Vardhman Vitrifed Pvt Ltd	65.55				65.55	6,166.57				6,166.57
<b>Power &amp; fuel expenses</b>										
Saisha Trading LLP			-		-			397.47		397.47
<b>Other Expenses</b>										
IB Hospitality Pvt Ltd			1.57		1.57			3.01		3.01
Nitco Holdings HK Company Ltd.	-				-	0.64				0.64
Siddharth Pradip Kothari		0.46			0.46					
<b>Directors Sitting Fees</b>										
Pradeep Saxena		-			-			2.35		2.35
Sharath Padmanabh Bolar		2.30			2.30			2.35		2.35
Bharti Pradeep Dhar		1.80			1.80			1.35		1.35
Siddharth Pradip Kothari		1.40			1.40			-		-
Vivek Grover		1.20			1.20			0.60		0.60
Samir Chawla		0.90			0.90			0.60		0.60
<b>Rent Paid</b>										
Eden Garden Builders Pvt.Ltd.			2.65		2.65			3.18		3.18
Enjoy Builders Pvt.Ltd.			3.64		3.64			4.37		4.37
Lavender Properties Pvt.Ltd.			2.63		2.63			3.16		3.16
Prakalp Properties Pvt.Ltd.			2.52		2.52			3.02		3.02
Rang Mandir Builders Pvt.Ltd.			3.48		3.48			4.18		4.18

(Rs. in Lakh)

Transactions	Year ended March 31, 2020					Year ended March 31, 2019				
	Subsidiaries	Key Management Personnel	Entities where control/influence by KMPs and their relative exist	Post-employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control/influence by KMPs and their relative exist	Post-employment benefit plan	Total
Usha Kiran Builders Pvt.Ltd.			2.63		2.63			3.16		3.16
<b>Rent Received</b>										
Saisha Trading LLP			-		-			2.83		2.83
<b>Loans &amp; Advances Given/Adjusted</b>										
Nitco Realities Pvt. Ltd.	0.01				0.01	0.37				0.37
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
Nitco Paints Pvt.Ltd.			-		-			55.00		55.00
<b>Loans &amp; Advances Received/ Adjusted</b>										
Nitco Realities Pvt. Ltd.	965.50				965.50	-				-
Nitco Paints Pvt.Ltd.			191.50		191.50			55.00		55.00
<b>Impairment of Investment</b>										
New Vardhman Vitrified Pvt. Ltd.	2,040.13				2,040.13					
<b>Impairment of Loans &amp; Advances</b>										
New Vardhman Vitrified Pvt. Ltd.	1,791.97				1,791.97					

(C) Balances outstanding as at the year end

(Rs. in Lakh)

Transactions	Year ended March 31, 2020					Year ended March 31, 2019				
	Subsidiaries	Key Management Personnel	Entities where control/significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsiidiaries	Key Management Personnel	Entities where control/significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
<b>Amount Receivable/(Payable)</b>										
Nitco Realities Pvt. Ltd.	6,073.10				6,073.10	7,038.59				7,038.59
New Vardhman Vittrified Pvt Ltd #	1,791.97				1,791.97	1,941.87				1,941.87
Meghdoot Properties Pvt. Ltd.	0.57				0.57	0.57				0.57
Maxwealth Properties Pvt Ltd	0.57				0.57	0.57				0.57
Feel Better Housing Pvt. Ltd.	0.57				0.57	0.57				0.57
Silver-Sky Real Estates Pvt Ltd	0.55				0.55	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
Nitco Paints Pvt. Ltd.			(191.50)		(191.50)			-		-
New Vardhman Vittrified Pvt Ltd						(220.82)				(220.82)
Eden Garden Builders Pvt.Ltd.			(17.97)		(17.97)			(15.81)		(15.81)
Enjoy Builders Pvt.Ltd.			(27.94)		(27.94)			(25.01)		(25.01)
Lavender Properties Pvt.Ltd.			(21.75)		(21.75)			(19.59)		(19.59)
Prakalp Properties Pvt.Ltd.			(20.13)		(20.13)			(18.09)		(18.09)
Rang Mandir Builders Pvt.Ltd.			(28.85)		(28.85)			(26.02)		(26.02)
Usha Kiran Builders Pvt.Ltd.			(21.57)		(21.57)			(19.43)		(19.43)
Saisha Trading LLP			(225.51)		(225.51)			(390.13)		(390.13)

(Rs. in Lakh)

Transactions	Year ended March 31, 2020					Year ended March 31, 2019				
	Subsidiaries	Key Management Personnel	Entities where control/influence by KMPs and their relative exist	Post-employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control/influence by KMPs and their relative exist	Post-employment benefit plan	Total
IB Hospitality Pvt Ltd			-		-			(0.11)		(0.11)
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			9.19		9.19
<b>Guarantee Received *</b>										
Promoter Group		68,959.26			68,959.26		86,258.31			86,258.31
<b>Subsidiary companies</b>	68,959.26				68,959.26	86,258.31				86,258.31
<b>Investment</b>										
Nitco Realities Pvt. Ltd.	694.59				694.59	694.59				694.59
New Vardhman Vittrified Pvt Ltd #	2,040.13				2,040.13	2,040.13				2,040.13

\* Subsidiary companies are in the process of monetizing their real estate assets. Therefore, no further adjustment is made in the books  
# During FY 2019-20, the company has impaired investment & loans given to New Vardhman Vittrified Pvt Ltd



### 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 Rs.345.13 Lakh for the year ended 31<sup>st</sup> March 2020 (31<sup>st</sup> March 2019 Rs. 353.76 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, 2020 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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	884.62	820.82
Current service cost	71.44	78.41
Interest Expense or Cost	62.05	59.06
Past Service Cost		-
Benefits paid	(175.15)	(56.67)
Actuarial (gain)/ loss	15.59	(17.00)
<b>Defined benefit obligation at the end of the year</b>	<b>858.55</b>	<b>884.62</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	639.06	583.22
Investment income	44.83	41.97
Contribution by employer	90.00	72.28
Benefits paid	(175.15)	(56.67)
Expected Interest Income on plan assets	1.34	(1.74)
<b>Fair value of plan assets at the end of the year</b>	<b>600.08</b>	<b>639.06</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Fair value of plan assets	858.55	884.62
Defined benefit obligation	600.08	639.06
Net Asset/ (Liability) recognised in the Balance Sheet	(258.47)	(245.56)
Effects of Asset Ceiling, if any	-	-
<b>Amount recognised in the Balance Sheet</b>	<b>(258.47)</b>	<b>(245.56)</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Current service cost	71.44	78.41
Past service cost	-	-
Net Interest Cost f (Income) on the Net Defined Benefit Liability f (Asset)	17.22	17.09
<b>Amount recognised in Statement of Profit and Loss</b>	<b>88.66</b>	<b>95.50</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Actuarial changes arising from changes in demographic assumptions	(0.18)	(6.02)
Actuarial changes arising from changes in financial assumptions	40.70	5.32
Experience adjustments	(24.93)	(16.29)
Return on plan assets, excluding amount recognized in net interest expense	(1.34)	1.72
<b>Amount recognised in Other Comprehensive Income</b>	<b>14.25</b>	<b>(15.27)</b>

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

<b>Gratuity</b>	March 31, 2020	March 31, 2019	April 1, 2018
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

	March 31, 2020	March 31, 2019
Discount rate (per annum)	5.60%	7.00%
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, 2020 is as shown below:**

	(Rs. in Lakh)			
	March 31, 2020		March 31, 2019	
Defined Benefit Obligation (Base)	858.55		884.62	
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	854.98 3.9%	892.45 -3.7%	916.45 3.6%	854.98 -3.4%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	915.98 -3.6%	827.37 3.8%	854.76 -3.40%	915.98 3.50%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	895.62 -0.5%	854.39 0.0%	857.59 -3.10%	895.62 1.20%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	884.71 0.0%	858.51 0.0%	884.53 0.0%	884.71 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):

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	297.74	314.57
Between 2 and 5 years	412.73	471.61
Between 6 and 10 years	249.85	261.79
Beyond 10 years	122.08	111.45

### 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.

- 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".
- 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:

	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
<b>1 Net sales / Income from operations</b>				
- Tiles and other related products	45,338.16		58,778.35	
- Real estate	499.30		63.41	
<b>Total Revenue</b>	<b>45,837.46</b>		<b>58,841.76</b>	
<b>2 Segment results</b>				
- Tiles and other related products	(6,739.44)		(2,806.25)	
- Real estate	(188.94)		28.14	
<b>Total Segment Profit/(Loss)</b>	<b>(6,928.38)</b>		<b>(2,778.11)</b>	
Interest and other financial cost	2,321.30		1,912.53	
Exceptional items	3,212.92		-	
<b>Profit /(Loss) Before Tax</b>	<b>(6,036.76)</b>		<b>(4,690.64)</b>	
Provision for current tax/ Deferred Tax	82.35		-	
<b>Profit /(Loss) After Tax</b>	<b>(6,119.11)</b>		<b>(4,690.64)</b>	
<b>3 Capital Employed</b>				
	Segment Asset		Segment Liabilities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
- Tiles and other related products	74,637.23	92,689.15	21,564.89	26,841.05
- Real estate	23,187.00	26,352.29	165.98	194.33
- Unallocated/ Corporate	667.29	6,265.85	-	-
<b>Total Capital Employed</b>	<b>98,491.52</b>	<b>125,307.29</b>	<b>21,730.87</b>	<b>27,035.38</b>

**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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue	41,414.46	55,217.22	4,423.00	3,624.54	45,837.46	58,841.76
Carrying cost of Segment assets	98,011.77	1,24,947.69	479.75	359.60	98,491.52	125,307.29
Addition of fixed assets and tangible assets	493.75	821.14	-	-	493.75	821.14

**39. Share based payments**

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the Board of Directors and the shareholders of the Company on 2<sup>nd</sup> April 2019. The scheme entitles employees of the group to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco Limited Employee Stock Option Plan
Exercise Price	Rs. 39.55
Vesting conditions	2,78,000 options 12 months after the grant date ('First vesting')
	2,78,000 options 24 months after the grant date ('Second vesting')
	2,78,000 options 36 months after the grant date ('Third vesting')
	2,78,000 options 48 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 4 years from grant
Number of share options granted	11,62,000
Method of settlement	Equity

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs.39.55 per option

The number and weighted average exercise price of share options are as follows:

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2018	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
<b>At 31 March 2019</b>	-	-
Exercisable as at 31 March 2019	-	-
Weighted average remaining contractual life (in years)	-	-
At 1 April 2019	-	-
Granted during the year	11,62,000	39.55
Forfeited during the year	50,000	39.55
Exercised during the year	-	-
<b>At 31 March 2020</b>	<b>11,12,000</b>	<b>39.55</b>
Exercisable as at 31 March 2020	-	-
Weighted average remaining contractual life (in years)	3.22	-

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Grant Date	3 April 2019	8 July 2019	12 March 2020
Vesting Date	2 April 2023	7 July 2023	11 March 2024
Expiry Date			
Fair value of option at grant date	38.90	31.75	16.30
Exercise price	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	3.22	3.22	3.22
Risk Free Interest Rate	6.14%	6.14%	6.14%

#### 40. Commitments & Contingencies

##### (a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31 March 2020 are Rs.48.93 Lakh (31 March 2019 - Rs. 65.42 Lakh).

##### (b) Contingent Liabilities

	As at March 31, 2020	As at March 31, 2019
	(Rs. in Lakh)	
a) Bank Guarantee given by the company	3,765.56	4,000.56
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 (Gross)	5,945.80	5,011.70
c) Legal matters	97.53	146.44
d) Estimated amount of Interest on loan which is not provided in the books (refer note v below)	2,005.79	-

- 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.
- The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 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.
- 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 Rs. 5,105.88 Lakh in this regard. The company has filed a writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing.
- Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to Rs. 40,560.23 Lakh in the FY 2017-18 & Rs. 14,032.15 lakhs in FY 2019-20. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company.
- Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility on terms similar to restructuring done by JMFARC. Pending negotiations with LIC & DBS, no further adjustments in respect of LIC facility has been made.

#### 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.

(Rs. in Lakh)

		As at March 31, 2020	As at March 31, 2019
Debt#	A	71,043.48	86,367.01
Cash & cash equivalent	B	823.82	5,840.24
Net Debt	C=(A-B)	70,219.66	80,526.77
Equity	D	5,531.06	11,725.63
Net Debt to Equity ratio	E=(C/D)	12.70	6.87

# 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. Adverse capital gearing ratio reflects increase in equity on account of losses earned during the year.

#### 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:

	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets at amortised cost:</b>				
Cash and cash equivalents (Refer Note 11)	823.82	823.82	1,416.98	1,416.98
Bank Balances (Refer Note 12)	-	-	4,423.26	4,423.26
Trade Receivables (Refer Note 10)	14,482.08	14,482.08	20,497.82	20,497.82
Loans (Refer Note 13)	6,090.00	6,090.00	8,988.65	8,988.65
Other Financial Assets (Refer Note 6 & 14)	64.98	64.98	38.49	38.49
<b>Total</b>	<b>21,460.88</b>	<b>21,460.88</b>	<b>35,365.20</b>	<b>35,365.20</b>
<b>Financial assets at fair value through Statement of Profit and Loss</b>	-	-	-	-
Investments	-	-	-	-
<b>Financial assets at fair value through Other Comprehensive Income:</b>	Nil	Nil	Nil	Nil

(Rs. in Lakh)

	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial liabilities at amortised cost:</b>				
Trade Payables (Refer note 22)	14,593.58	14,593.58	18,866.33	18,866.33
Other Financial Liabilities (Refer Note 23)	1,543.57	1,543.57	1,395.70	1,395.70
Borrowings (Refer Note 19, 23)	71,043.48	71,043.48	86,367.02	86,367.02
<b>Total</b>	<b>87,180.63</b>	<b>87,180.63</b>	<b>1,06,629.05</b>	<b>1,06,629.05</b>
<b>Financial liabilities at fair value through Statement of Profit and Loss</b>	Nil	Nil	Nil	Nil
<b>Financial liabilities at fair value through Other Comprehensive Income</b>	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	Total
<b>As at March 31, 2020</b>	+5%	(26.85)	2.99	(1.07)	(24.94)
	(5%)	26.85	(2.99)	1.07	24.94
<b>As at March 31, 2019</b>	+5%	(7.08)	(3.44)	(0.98)	(11.51)
	(5%)	7.08	3.44	0.98	11.51

##### 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:

	(Rs. in Lakh)	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Fixed Rate Borrowings	69,025.34	84,360.67
Floating Rate Borrowings	2,018.14	2,006.34
<b>Total Borrowing</b>	<b>71,043.48</b>	<b>86,367.01</b>

**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, 2020 would decrease/increase by Rs. 10.09 lakh (for the year ended March 31, 2019: decrease/increase by Rs. 10.03 Lakh)

**iii. Credit risk**

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable sexpectations 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:

	(Rs. in Lakh)	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.	3,296.15	4,974.28
Other trade receivables	11,185.93	15,523.54
	<b>14,482.08</b>	<b>20,497.82</b>

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2020 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:

(Rs. in Lakh)

	On demand	< 1 year	1 - 3 yrs	3 - 5 years	> 5 years	Total	Carrying Amount
<b>As at 31-Mar-20</b>							
Borrowings		15,847.53	35,195.95	-	20,000.00	71,043.48	71,043.48
Trade payables		14,593.58				14,593.58	14,593.58
Other financial liabilities	812.14	731.43				1,543.57	1,543.57
<b>Total</b>	<b>812.14</b>	<b>31,172.54</b>	<b>35,195.95</b>	<b>-</b>	<b>20,000.00</b>	<b>87,180.63</b>	<b>87,180.63</b>
<b>As at 31-Mar-19</b>							
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
<b>Total</b>	<b>846.35</b>	<b>31,530.73</b>	<b>14,515.10</b>	<b>25,704.72</b>	<b>34,032.15</b>	<b>106,629.05</b>	<b>106,629.05</b>

**44. Exceptional items**

- The company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14032.15 lakhs has been written back.
- As on 31<sup>st</sup> March 2020, management has considered that the losses suffered by New Vardhman Vitriified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the investment & loans given to subsidiary. According management has estimated a provision of Rs. 3,832.11 Lakhs as a diminution in the carrying value of its investment and loans. Decision of the management is mainly based on existing market conditions. Management has also recognized impairment in certain categories of financial and non-financial assets aggregating to Rs. 6,987.12 lakhs

**45. Research and development expenditure**

(Rs. in Lakh)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment)	33.96	84.92

**46. Balance confirmation**

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

47. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 26<sup>th</sup> June, 2020

In terms of our report of even date annexed

**For and on behalf of the Board**

**For Nayak & Rane**  
Chartered Accountants

FRN No. 117249W

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

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

**Ramesh Iyer**  
CFO

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of NITCO Limited

Report on the Audit of the Consolidated IND As Financial Statements

## Opinion

We have audited the accompanying consolidated IND AS 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, 2020, and the consolidated Statement of Profit and Loss (including the statement of 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 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Act and the Rules thereunder, 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 audit opinion on the standalone Ind AS financial statements.

## Emphasis of Matter

- 1 We draw attention to following Points due to which material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. However the accounts of the company have been prepared as a going concern:
  - i. The standalone financial results, which describes the extent to which the COVID -19 Pandemic will impact the Company's results which depend on the future developments that are highly uncertain.
  - ii. There is a default in repayment of term loan from JMFCARC of Rs 6961.70 lakhs.
  - iii. Company is continuously making operating cash losses.
- 2 Lock out was declared in one of the main Tile Manufacturing unit of Company situated in Alibag in January 2020. However, 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 standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

The Key Audit matter	How the matter was addressed in our audit
Assessment of impairment of investments in subsidiaries (as described in note 5 of the standalone Ind AS financial statements)	
<p>The carrying values of the Company's investments in subsidiaries are assessed annually by management for potential indicators of impairment.</p> <p>For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable</p> <p>We have identified the assessment of potential impairment of investments including corporate guarantees as a key audit matter because impairment assessment involves significant degree of management judgement in determining the key assumptions and forecasting future cash flows.</p>	<p>Our audit procedures included, among others the following:</p> <p>We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment;</p> <p>We have studied available financial information including considerations of the economic conditions and audited financial statements of the subsidiaries;</p> <p>We have evaluated the current approximate market price of the land, real estate properties where the subsidiaries have invested for computing the recoverable amount;</p> <p>We read and assessed the relevant disclosures made within the standalone Ind AS financial statements.</p>

### 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 such 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.

### Responsibility of the Management 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 risks of material misstatement of the standalone Ind AS 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 control.
- 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the 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 auditor's 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 consolidated financial statements of the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's 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

The consolidated Financial Results include the unaudited Financial Results of fourteen subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs.18138.83 lakhs as at 31.3.2020, Group's share of total revenue of Rs.548.58 lakhs and Rs.(1060.22) lakhs and Group's share of total net profit/(loss) after tax of Rs. (1101.09), as considered in the consolidated Financial Results. These unaudited interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities is based solely on such unaudited interim Financial Statements/Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim Financial Statements/ Financial Results / 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 (b) to the standalone Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There 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

### Kishore Rane

Partner  
M.No : 100788  
Place : Mumbai  
Date : 26<sup>th</sup> June 2020

# 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 2020, 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 2020, 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

### Kishore Rane

Partner  
M.No : 100788  
Place : Mumbai  
Date : 26<sup>th</sup> June 2020



# CONSOLIDATED BALANCE SHEET

as at March 31, 2020

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	45,461.03	51,508.20
Capital work-in-progress		505.44	604.90
Intangible assets		9.67	10.72
Goodwill on consolidation	4	323.77	323.77
Financial assets			
Investments	5	0.15	25.15
Other Financial assets	6	3,399.76	3,671.51
Other non-current assets	7	1,882.38	3,296.38
		<b>51,582.20</b>	<b>59,440.63</b>
<b>Current assets</b>			
Inventories	8	9,340.02	14,991.56
Inventories - Real Estate	9	18,781.09	19,395.44
Financial assets			
Trade receivables	10	14,487.48	20,975.76
Cash and cash equivalents	11	1,067.25	1,593.20
Other bank balances	12	0.00	4,423.26
Loans	13	2,892.27	3,862.43
Other financial assets	14	64.98	215.05
Other current assets	15	4,626.88	5,857.66
		<b>51,259.97</b>	<b>71,314.36</b>
<b>Total Assets</b>		<b>1,02,842.17</b>	<b>1,30,754.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	7,185.90	7,185.90
Share Warrants	17	-	1,750.00
Other equity	18	(811.00)	2,236.15
Non-controlling interest		(1,415.83)	1,060.08
		<b>4,959.07</b>	<b>12,232.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	55,757.14	74,897.28
Provisions	20	186.11	179.26
Deferred tax liabilities	21	3.86	3.86
		<b>55,947.11</b>	<b>75,080.40</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	1,626.56	1,548.98
Trade payables	23	16,602.75	20,709.35
Other financial liabilities	24	17,976.63	14,290.97
Other current liabilities	25	5,388.74	6,553.13
Provisions	26	341.31	340.03
		<b>41,935.99</b>	<b>43,442.46</b>
<b>Total Equity and Liabilities</b>		<b>1,02,842.17</b>	<b>1,30,754.99</b>

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

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

**Bharti Dhar**  
Director

(DIN: 00442471)

**Ramesh Iyer**  
CFO

**Sharath Bolar**  
Director

(DIN: 07009701)

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

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	27	46,103.89	59,450.82
Other Income	28	908.43	199.89
<b>Total Income</b>		<b>47,012.32</b>	<b>59,650.71</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	4,030.44	13,542.47
Purchase of stock-in-trade		27,426.48	21,501.98
Changes in inventories of finished goods, stock in trade and work-in-progress	30	3,848.07	834.51
Employee benefits expense	31	7,916.81	8,430.45
Finance costs	32	2,348.00	2,241.77
Depreciation and amortisation expense	33	3,864.25	3,923.00
Other expenses	34	7,888.19	15,313.81
<b>Total Expenses</b>		<b>57,322.24</b>	<b>65,787.99</b>
<b>Profit / (Loss) before tax before exceptional items</b>		<b>(10,309.92)</b>	<b>(6,137.28)</b>
Exceptional items - gain/(loss)		3,212.92	-
<b>Profit / (Loss) before tax after exceptional items</b>		<b>(7,097.00)</b>	<b>(6,137.28)</b>
Tax expense:			
Current Tax (current years)		40.86	(0.18)
Current Tax (earlier years)		82.35	-
Deferred Tax		-	(131.38)
<b>Profit / (Loss) for the year</b>		<b>(7,220.21)</b>	<b>(6,005.72)</b>
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans	35	(14.25)	15.27
Income tax effect on such items		-	-
Total other comprehensive income, net of tax		(14.25)	15.27
<b>Total comprehensive income / (Loss) for the year, net of tax</b>		<b>(7,234.46)</b>	<b>(5,990.45)</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		(4,744.31)	(5,365.52)
Non-controlling interests		(2,475.90)	(640.20)
Other comprehensive income for the year attributable to:			
<b>Owners of the Company</b>		(14.25)	15.27
Non-controlling interests			
Total comprehensive income for the year attributable to:			
<b>Owners of the Company</b>		(4,758.56)	(5,350.25)
Non-controlling interests		(2,475.90)	(640.20)
Earnings per equity share (computed on the basis of profit for the year):			
Basic & Diluted	36	(6.62)	(7.45)

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

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

**Bharti Dhar**  
Director

(DIN: 00442471)

**Ramesh Iyer**  
CFO

**Sharath Bolar**  
Director

(DIN: 07009701)

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

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the year ended March 31, 2020

## A. Equity share capital

Particulars	Note	(Rs. in Lakh) Amount
<b>As at 1 April 2019</b>		<b>7,185.90</b>
Changes during the year		-
<b>As at 31 March 2020</b>		<b>7,185.90</b>

## B. Share warrants

Particulars	(Rs. in Lakh) Amount
<b>As at 1 April 2019</b>	<b>1,750.00</b>
Changes during the year	-1,750.00
<b>As at 31 March 2020</b>	<b>-</b>

## 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
<b>As at 1 April 2019</b>	<b>325.47</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(45,472.35)</b>	<b>-</b>	<b>(21.21)</b>	<b>2,236.15</b>
Net income / (loss) for the year	-	-	-	-	(4,744.31)	-	-	(4,744.31)
Unsubscribed Share warrants	1,750.00	-	-	-	-	-	-	1,750.00
Adjustment towards fair valuation	-	-	-	-	(61.22)	-	-	(61.22)
Adjustment towards Bonus	-	-	-	-	22.63	-	-	22.63
Other comprehensive income	-	-	-	-	-	-	(14.25)	(14.25)
<b>As at 31 March 2020</b>	<b>2,075.47</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(50,255.25)</b>	<b>-</b>	<b>(35.46)</b>	<b>(811.00)</b>
<b>As at 1 April 2018</b>	<b>325.66</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(40,106.83)</b>	<b>0.01</b>	<b>(36.48)</b>	<b>7,586.60</b>
Net income / (loss) for the year	-	-	-	-	(5,365.52)	-	-	(5,365.52)
Other comprehensive income	-	-	-	-	-	-	15.27	15.27
Impact of business combination	(0.19)	-	-	-	-	(0.01)	-	(0.20)
<b>As at 31 March 2019</b>	<b>325.47</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(45,472.35)</b>	<b>-</b>	<b>(21.21)</b>	<b>2,236.15</b>

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

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

**Bharti Dhar**  
Director

(DIN: 00442471)

**Ramesh Iyer**  
CFO

**Sharath Bolar**  
Director

(DIN: 07009701)

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

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2020

(Amount in Rupees Lakhs, unless otherwise stated)

	Year ended March 31, 2020		Year ended March 31, 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax & exceptional items		(10,309.92)		(6,137.28)
Adjusted for :				
Depreciation & amortisation expense	3,864.25		3,923.00	
(Profit)/Loss on sale of Property, plant & equipment (Net)	(1.50)		9.90	
Finance costs	2,348.00	6,210.75	2,241.77	6,174.67
Operating Profit before Working Capital Changes		(4,099.17)		37.39
Working capital adjustments:				
Adjustment for (increase)/decrease:				
(Increase)/decrease in inventories	2,880.82		1,551.50	
(Increase)/decrease in trade receivables	4,487.05		(714.66)	
(Increase)/decrease in other receivables	5,129.07		375.43	
Increase/(decrease) in trade and other payables	(6,105.79)		1,215.87	
Increase/(decrease) in provisions	(6.12)	6,385.03	(18.17)	2,409.97
Cash Generated from Operations		2,285.86		2,447.36
Taxes paid (net of refunds)		1,175.31		73.12
<b>Net Cash from operating activities</b>		<b>3,461.17</b>		<b>2,520.48</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(401.49)		(1,143.63)	
<b>Net Cash used in Investing Activities</b>		<b>(401.49)</b>		<b>(1,143.63)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(3,093.75)		(1,341.38)	
Finance cost (net)	(491.88)		(248.56)	
<b>Net Cash flow from in Financing Activities</b>		<b>(3,585.63)</b>		<b>(1,589.94)</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(525.95)</b>		<b>(213.09)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		1,593.20		1,806.29
<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,067.25</b>		<b>1,593.20</b>
Components of cash and cash equivalents at the end of the year				
	As at March 31, 2020		As at March 31, 2019	
Cash on hand		6.78		12.87
Balance in current account and deposits with banks		1,060.47		1,580.33
<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,067.25</b>		<b>1,593.20</b>

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2019	Cash Flows	Interest Accrued /Writeback	As at March 31, 2020
Redeemable Non-Convertible Preference Shares	15,000.00			15,000.00
Redeemable Non-convertible Debentures	5,000.00			5,000.00
Unsustainable debt	14,032.15		(14,032.15)	-
Long-term borrowings including current maturities of long-term debts	52,811.17	3,051.12	1,778.54	51,538.59
Lease liabilities (including current maturities of finance lease obligations)	108.71	42.63		66.08
<b>Total liabilities from financing activities</b>	<b>86,952.03</b>	<b>3,093.75</b>	<b>(12,253.61)</b>	<b>71,604.67</b>

In terms of our report of even date annexed

For and on behalf of the Board

**For Nayak & Rane**  
Chartered Accountants

FRN No. 117249W

**Kishore Rane**  
Partner  
Membership No.: 100788

Place : Mumbai  
Dated: June 26, 2020

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

**Mahesh Shah**  
CEO

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Director  
(DIN: 00442471)

**Ramesh Iyer**  
CFO

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

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

# NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 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.

### 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, 2020	As at March 31, 2019
<b>Subsidiaries</b>			
New Vardhman Vitrified Pvt. Ltd.	India	51	51
Nitco Realities Private Limited	India	100	100
<b>Fellow Subsidiaries</b>			
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 **RS. 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:

<b>Class of assets</b>	<b>Basis</b>	<b>Useful life/ rate of depreciation</b>
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. Share-based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of Statement of Profit and loss, with a corresponding adjustment to equity.

**c. Leases**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straightline method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of



property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **d. 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.

#### **e. 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.

#### **f. 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.

#### **g. 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.

#### **h. 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.

#### **i. 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 statement of 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 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.

#### **j. 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 amount 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 Actuarial valuation report and other benefits like gratuity have been classified as current.

#### **k. 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.

#### **l. 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.

#### **m. 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 profit or loss in the period in which they are incurred

#### **n. 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”.

#### **o. 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.

#### **p. 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

**q. COVID-19 Assessment**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of plant and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31<sup>st</sup> March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

3. Property, plant and equipment

Particulars	Freehold Land	Lease Hold Land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Livestock	Total Assets
<b>Cost</b>											
As at April 1, 2018	6,060.48	145.66	20,966.10	1,178.36	66,235.50	1,046.96	2,557.70	3,680.54	871.26	99.67	1,02,842.23
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
<b>As at March 31, 2019</b>	<b>6,060.48</b>	<b>145.66</b>	<b>21,133.30</b>	<b>1,218.11</b>	<b>66,472.29</b>	<b>1,060.48</b>	<b>2,770.65</b>	<b>3,680.54</b>	<b>903.45</b>	<b>100.42</b>	<b>103,545.38</b>
Additions	-	-	70.09	47.22	227.41	43.78	98.97	-	1.68	11.45	500.60
Disposals	-	-	-	39.73	2.94	-	2.32	-	-	-	44.99
<b>As at March 31, 2020</b>	<b>6,060.48</b>	<b>145.66</b>	<b>21,203.39</b>	<b>1,225.60</b>	<b>66,696.76</b>	<b>1,104.26</b>	<b>2,867.30</b>	<b>3,680.54</b>	<b>905.13</b>	<b>111.87</b>	<b>104,000.99</b>
<b>Depreciation</b>											
As at April 1, 2018	-	-	9,196.22	1,082.64	31,894.32	931.22	2,233.85	2,192.43	691.30	-	48,233.97
Depreciation charge for the year	-	3.05	677.84	44.34	2,807.08	61.25	75.61	151.36	96.80	-	3,917.33
Disposals	-	-	-	20.00	46.64	-	0.60	-	46.88	-	114.12
<b>As at March 31, 2019</b>	<b>-</b>	<b>15.04</b>	<b>9,874.06</b>	<b>1,106.98</b>	<b>34,654.76</b>	<b>992.47</b>	<b>2,308.86</b>	<b>2,343.79</b>	<b>741.22</b>	<b>-</b>	<b>52,037.18</b>
Depreciation charge for the year	-	3.01	660.00	52.72	2821.76	24.47	82.43	151.36	62.84	-	3858.59
Impairment of subsidiary assets	-	-	413.36	3.93	2250.72	2.50	5.97	-	9.95	-	2686.43
Disposals	-	-	-	39.70	0.34	-	2.20	-	-	-	42.24
<b>As at March 31, 2020</b>	<b>-</b>	<b>18.05</b>	<b>10,947.42</b>	<b>1,123.93</b>	<b>39,726.90</b>	<b>1,019.44</b>	<b>2,395.06</b>	<b>2,495.15</b>	<b>814.01</b>	<b>-</b>	<b>58,539.96</b>
<b>Net book value :</b>											
<b>As at March 31, 2020</b>	<b>6,060.48</b>	<b>127.61</b>	<b>10,255.97</b>	<b>101.67</b>	<b>26,969.86</b>	<b>84.82</b>	<b>472.24</b>	<b>1,185.39</b>	<b>91.12</b>	<b>111.87</b>	<b>45,461.03</b>
<b>As at March 31, 2019</b>	<b>6,060.48</b>	<b>130.62</b>	<b>11,259.24</b>	<b>111.13</b>	<b>31,817.53</b>	<b>68.01</b>	<b>461.79</b>	<b>1,336.75</b>	<b>162.23</b>	<b>100.42</b>	<b>51,508.20</b>

Notes:

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

## 4. Intangible assets

	(Rs. in Lakh)		
	Goodwill on consolidation	Other intangible assets	As at 31 March 2020
<b>Cost</b>			
As at April 1, 2018	323.77	424.69	748.46
Additions	-	6.55	6.55
Disposals	-	-	-
<b>As at March 31, 2019</b>	<b>323.77</b>	<b>431.24</b>	<b>755.01</b>
Additions	-	4.60	4.60
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>323.77</b>	<b>435.84</b>	<b>759.61</b>
<b>Amortisation</b>			
As at April 1, 2018	-	414.85	414.85
Amortisation charge for the year	-	5.67	5.67
Disposals	-	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>420.52</b>	<b>420.52</b>
Amortisation charge for the year	-	5.65	5.65
Disposals	-	5.65	5.65
<b>As at March 31, 2020</b>	<b>-</b>	<b>426.17</b>	<b>426.17</b>
<b>Net book value :</b>			
<b>As at March 31, 2020</b>	<b>323.77</b>	<b>9.67</b>	<b>333.44</b>
<b>As at March 31, 2019</b>	<b>323.77</b>	<b>10.72</b>	<b>334.49</b>

## 5. Investments

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
(a) Investments in equity shares (unquoted)		
Aero Ports & Infrastructure Projects Pvt. Ltd.:	-	5.00
50,000 Equity shares of Rs.10 each fully paid up		
J M Township & Real Estate Pvt. Ltd.:	-	20.00
2,00,000 Equity shares of Rs.10 each fully paid up		
(b) Investments in Government or Trust Securities (unquoted)	0.15	0.15
<b>Aggregate value of unquoted investments</b>	<b>0.15</b>	<b>25.15</b>

## 6. Other financial assets

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balances with Banks - Held as Margin Money	2,300.75	2,264.79
Security Deposits	1,099.01	1,406.72
<b>Total</b>	<b>3,399.76</b>	<b>3,671.51</b>



## 7. Other non-current assets

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Income Tax Payment (Net)	667.29	1,842.60
Capital Advances *	995.99	1,453.78
Prepaid Lease rental	219.10	-
<b>Total</b>	<b>1,882.38</b>	<b>3,296.38</b>

\* Capital advance pertaining Real estate business which is expected to settled within 12 months.

## 8. Inventories

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,178.97	2,299.82
Work-in-progress	-	244.88
Finished Goods	6,805.69	11,071.59
Stock in trade	1,165.65	488.25
Stores and spares	189.71	866.56
Goods in transit	-	20.46
<b>Total</b>	<b>9,340.02</b>	<b>14,991.56</b>

The inventory is net of provision for slow moving, non-moving and old inventory of Rs. 3175.60 lakhs (previous year Nil)

## 9. Inventories - Real Estate

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Land at Kanjurmarg	15,000.00	15,000.00
Others	3,781.09	4,395.44
<b>Total</b>	<b>18,781.09</b>	<b>19,395.44</b>

## 10. Trade receivables (unsecured)

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Trade receivables - Unsecured		
Considered good	14,487.48	20,975.76
Considered doubtful	3,110.30	869.06
	<b>17,597.78</b>	<b>21,844.82</b>
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	(3,110.30)	(869.06)
<b>Total</b>	<b>14,487.48</b>	<b>20,975.76</b>

\*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Also refer Note 43(iii).

	(Rs. in Lakh)
	Amount
<b>Balance as at 1 April, 2018</b>	<b>693.13</b>
Add : Created during the year	181.42
Less : Released during the year	(5.49)
<b>Balance as at 31 March, 2019</b>	<b>869.06</b>
Add : Created during the year	2,241.24
Less : Released during the year	-
<b>Balance as at 31 March, 2020</b>	<b>3,110.30</b>

**11. Cash and cash equivalents**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
<b>Balances with banks</b>		
On current accounts	1,060.47	1,580.33
Cash on hand	6.78	12.87
<b>Total</b>	<b>1,067.25</b>	<b>1,593.20</b>

**12. Other bank balances**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Banks	-	4,423.26
<b>Total</b>	<b>-</b>	<b>4,423.26</b>

**13. Loans**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Loans to Related Parties (refer note 37 c)		
Unsecured, Considered Good	-	965.50
Other Loans & Advances		
Unsecured, Considered Good	2,892.27	2,896.93
<b>Total</b>	<b>2,892.27</b>	<b>3,862.43</b>

**Disclosure required by SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015:**
**Loans and advances in the nature of loans given to Subsidiary**

	(Rs. in Lakh)			
	Loans Outstanding as at		Maximum amount outstanding during the year ended on	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
JM Township & Real Estate Pvt. Ltd.	-	965.50	965.50	965.50

**14. Other financial assets**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Others (Unsecured considered good unless otherwise stated)	64.98	215.05
<b>Total</b>	<b>64.98</b>	<b>215.05</b>

**15. Other current assets**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Balance with statutory authorities	3,515.13	3,300.26
Advances for supply of goods and rendering of services	701.36	2,164.70
Prepaid expenses/Other Receivables	255.13	226.02
Other Assets	155.26	166.68
<b>Total</b>	<b>4,626.88</b>	<b>5,857.66</b>

## 16. Equity share capital

	As at March 31, 2020		As at March 31, 2019	
	Nos.	Rs. in Lakh	Nos.	Rs. in Lakh
<b>Authorised:</b>				
<b>Equity Shares:</b>				
Equity shares of Rs.10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00
<b>Preference Shares:</b>				
Redeemable Preference Shares of Rs.10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
<b>Issued, Subscribed and Paid-up</b>				
<b>Equity Shares:</b>				
Equity shares of Rs.10/- each	7,18,58,955	7,185.90	7,18,58,955	7,185.90
<b>Total</b>	<b>7,18,58,955</b>	<b>7,185.90</b>	<b>7,18,58,955</b>	<b>7,185.90</b>

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

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	7,18,58,955	7,185.90	7,18,58,955	7,185.90
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>7,18,58,955</b>	<b>7,185.90</b>	<b>7,18,58,955</b>	<b>7,185.90</b>

(Rs. in Lakh)

Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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:

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held having face value of Rs.10 each	% of holding in class	Number of shares held having face value of Rs.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%

(Rs. in Lakh)

## 17. Share warrants

	As at March 31, 2020	As at March 31, 2019
61,31,745 Warrants (convertible into Equity) of Rs.10/- each 25% paid-up	-	1,750.00
<b>Total</b>	<b>-</b>	<b>1,750.00</b>

(Rs. in Lakh)

Note :

During FY 2017-18, Company issued 61,31,745 Convertible Warrants (the "Warrants") at an issue price of Rs. 114.16 per warrant to JMFARC, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of Rs. 10/- each fully paid-up at a premium of Rs. 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. Rs. 1750 lakhs, being 25% of the consideration of total the Warrants issued, was received by the company before allotment of the Warrants. As the warrant holder have not paid the balance consideration to exercise of option of conversion against each such warrant and have not applied for allotment of equity share holder, the same amount was transferred to Capital Reserve.

## 18. Other equity

Particulars	Reserves and Surplus					Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings/ (Losses)	
Notes	(a)	(b)	(c)	(d)	(e)	
As at 1 April 2019	325.47	42,591.33	966.00	3,846.91	(45,493.56)	2,236.15
Net income / (loss) for the year	-	-	-	-	(4,744.31)	(4,744.31)
Unsubscribed Share warrants	1,750.00	-	-	-	-	1,750.00
Adjustment towards fair valuation	-	-	-	-	(61.22)	(61.22)
Adjustment towards Bonus	-	-	-	-	22.63	22.63
Other comprehensive income	-	-	-	-	(14.25)	(14.25)
<b>As at 31 March 2020</b>	<b>2,075.47</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(50,290.71)</b>	<b>(811.00)</b>

Particulars	Reserves and Surplus					Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings/ (Losses)	
As at 1 April 2018	325.66	42,591.33	966.00	3,846.91	(40,143.30)	7,586.60
Net income / (loss) for the year	-	-	-	-	(5,365.52)	(5,365.52)
Other comprehensive income	-	-	-	-	15.27	15.27
Impact of business combination	(0.19)	-	-	-	(0.01)	(0.20)
<b>As at 31 March 2019</b>	<b>325.47</b>	<b>42,591.33</b>	<b>966.00</b>	<b>3,846.91</b>	<b>(45,493.56)</b>	<b>2,236.15</b>

Note (a) Capital Reserve is created on account of amalgamation of Particle Boards India Limited with the Company pursuant to the Scheme of Amalgamation in the financial year 2010-11 & unexercised share warrants in the financial year 2019-20 and capital reserve on consolidation.

Note (b) Share Premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note (c) Capital Redemption Reserve is created on account of redemption of preference shares. The preference shares were redeemed in the financial years 2003-04 & 2008-09.

Note (d) General Reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another.

Note (e) Retained earnings/(losses) represents cumulative profit of the Company. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

## 19. Borrowings

(Rs. in Lakh)

	As at March 31, 2020	As at March 31, 2019
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	35,730.55	54,837.26
Long term maturities of finance lease	26.59	60.02
<b>Total</b>	<b>55,757.14</b>	<b>74,897.28</b>

- 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 FY 2017-18, the debt of the Company was restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. 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

(Rs. in Lakh)

Type of loan	Loan outstanding as on 31.3.2020		Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current				
<b>Term loans assigned to JM Financial Asset Reconstruction Company Limited</b>						
Term loans Facility 1 (secured)	22,238.90	5328.00	27,566.90	20000.00	9%	<ul style="list-style-type: none"> <li>First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company</li> <li>Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company</li> <li>Pledge of shares held by promoters in Nitco Limited and six associate companies,</li> <li>Pledge of shares held by Aurella Estate &amp; Investments Pvt. Ltd. in Nitco Limited,</li> <li>shares held by Nitco Realities Pvt. Ltd. in one of its subsidiary company and shares held by Nitco Limited in New Vardhman Vitirfied Pvt. Ltd.</li> <li>Negative lien on Non-Core Assets of the Company</li> <li>Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/associate companies</li> </ul>
Term loans Facility 2 (secured)	12,930.46	8461.90	21,392.36	30000.00	9%	<ul style="list-style-type: none"> <li>Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018</li> </ul>
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.1%	<ul style="list-style-type: none"> <li>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.</li> </ul>
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	<ul style="list-style-type: none"> <li>The Debenture shall be redeemed at the end of 10 years from the effective date (i.e. February 28, 2018).</li> </ul>
<b>Total (A)</b>	<b>55,169.36</b>	<b>13,789.90</b>	<b>68,959.26</b>			

(Rs. in Lakh)

**19.1 Interest and repayment schedule for secured long term borrowings Contd.)**

Type of loan	Loan outstanding as on 31.3.2020		Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current				
<b>Term loans not assigned to JM Financial Assets Reconstruction Company</b>						
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 - FTL	-	224.86	224.86	10.75%	24 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.
Term loan from Bank	-	126.61	126.61	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	26.59	39.49	66.08		Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
<b>Total (B)</b>	<b>26.59</b>	<b>2,057.63</b>	<b>2,084.22</b>			
<b>Unsecured Long Term loans by Subsidiary Company</b>						
From Others	561.19	-	561.19	-	Payable on demand after 3 years	Unsecured
<b>Total (C)</b>	<b>561.19</b>	<b>-</b>	<b>561.19</b>	<b>-</b>		
<b>Grand Total (A+B+C)</b>	<b>55,757.14</b>	<b>15,847.53</b>	<b>71,604.67</b>			

Note :

- i. JM Financial Asset Reconstruction Company Limited (JMFARC) representing 98% of the Company's debt has restructured the debt of the holding company on sustainable basis vide their sanction letter dated 23rd January 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

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	186.11	179.26
<b>Total</b>	<b>186.11</b>	<b>179.26</b>

21. Income taxes

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities (Net)	3.86	3.86
<b>Total</b>	<b>3.86</b>	<b>3.86</b>

In view to accumulated losses, no provision for tax has been made in the books of holding company.

22. Borrowings (Short term)

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Loan repayable on demand		
Secured		
<b>From Banks</b>		
Cash Credit - Holding Company	-	-
Cash Credit - Subsidiary Company	1,626.56	1,548.98
<b>Total</b>	<b>1,626.56</b>	<b>1,548.98</b>

23. Trade payables

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Trade payables		
- total outstanding dues of micro and small enterprises	1,483.66	2,200.30
- total outstanding dues of creditors other than micro and small enterprises	15,119.09	18,509.05
<b>Total</b>	<b>16,602.75</b>	<b>20,709.35</b>

Notes:

- I. Others include acceptances and employee compensation payable.
- II. Disclosure with respect to related party transactions is given in note 37
- III. 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:

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
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	1,483.66	2,200.30
- 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	19.92	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-



**24. Other financial liabilities**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	15,847.53	12,054.75
Deposits received	812.14	846.35
Amount payable to capital creditors	533.87	738.12
Loans & Advances	569.27	630.52
Interest accrued but not due on borrowings	21.92	21.23
Loans & Advances from related parties	191.90	-
<b>Total</b>	<b>17,976.63</b>	<b>14,290.97</b>

**25. Other current liabilities**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Advances from customers	25.82	33.18
Statutory dues payable	30.97	59.38
Other payable	5,331.95	6,460.57
<b>Total</b>	<b>5,388.74</b>	<b>6,553.13</b>

**26. Provisions**

	(Rs. in Lakh)	
	As at March 31, 2020	As at March 31, 2019
Provision for Leave Encashment	80.42	87.70
Provision for Gratuity	258.47	245.56
Provision for Others	2.42	6.77
<b>Total</b>	<b>341.31</b>	<b>340.03</b>

**27. Revenue from operations**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products		
Tiles	45,696.88	58,957.28
Real estate	203.66	217.00
	<b>45,900.54</b>	<b>59,174.28</b>
Other operating revenues		
Labour charges	55.91	96.74
Lease rental	27.49	63.41
Other Operating income	119.95	116.39
	<b>203.35</b>	<b>276.54</b>
<b>Total</b>	<b>46,103.89</b>	<b>59,450.82</b>

**28. Other income**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Rent Received	27.46	32.69
Miscellaneous income	880.97	167.20
<b>Total</b>	<b>908.43</b>	<b>199.89</b>

**29. Cost of material consumed**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Body Material	900.51	3,062.11
Glaze Material	308.40	2,011.67
Marble blocks/slabs	1,864.08	7,114.03
Packing Material	191.88	1,159.28
Others (Real Estate)	765.57	195.38
<b>Total</b>	<b>4,030.44</b>	<b>13,542.47</b>

**30. Changes in inventories of finished goods, stock in trade and work-in-progress**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Stock in Trade - Opening	488.25	149.92
Stock in Trade - Closing	1,165.64	488.25
	<b>(677.39)</b>	<b>(338.33)</b>
Work in Progress - Opening	244.88	557.74
Work in Progress - Closing	0.00	244.88
	<b>244.88</b>	<b>312.86</b>
Finished Goods (Mfg.) - Opening	11,081.18	11,941.16
Finished Goods (Mfg.) - Closing	6,800.60	11,081.18
	<b>4,280.58</b>	<b>859.98</b>
<b>Total Change in Inventories</b>	<b>3,848.07</b>	<b>834.51</b>

**31. Employee benefits expense**

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employee Costs	7,547.11	7,849.72
Other Employee Costs	369.70	580.73
<b>Total</b>	<b>7,916.81</b>	<b>8,430.45</b>

**32. Finance costs**

(Rs. in Lakh)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on debt and borrowings	2,301.25	2,081.39
Other borrowing costs	9.52	61.94
Other financial charges	37.23	98.44
<b>Total</b>	<b>2,348.00</b>	<b>2,241.77</b>

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**

(Rs. in Lakh)

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3)	3,858.60	3,917.33
Amortisation of intangible Assets (refer note 4)	5.65	5.67
<b>Total</b>	<b>3,864.25</b>	<b>3,923.00</b>

**34. Other expenses**

(Rs. in Lakh)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Other Manufacturing Expenses</b>		
Power and fuel *	1,083.54	6,118.84
Consumption of stores and spare parts.	369.45	1,142.33
	<b>1,452.99</b>	<b>7,261.17</b>
<b>Repairs and Maintenance</b>		
Buildings	17.69	45.20
Machinery	186.91	617.54
Others Repairs & Maintenance	171.67	130.72
	<b>376.27</b>	<b>793.46</b>
<b>Administrative Expenses</b>		
Rent Rates and Taxes	595.39	609.47
Electricity Charges Office & Depot	179.04	693.34
Processing Charges Mosaico/Marble	89.10	274.97
Water Charges	10.42	9.72
Postage and Telephone	177.43	157.26
Printing and Stationery	19.81	17.88
Insurance	156.21	272.38
Legal and Professional Fees	333.02	352.29
Travelling & Conveyance Expenses	1,023.93	1,028.56
Audit Fees	16.43	13.58
Hire Charges	139.66	202.76
Security Charges	165.27	153.06
Applicable net gain/loss on foreign currency transactions and translation	84.02	64.84
Miscellaneous Expenses	302.84	235.89
	<b>3,292.57</b>	<b>4,086.00</b>

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Selling and distribution expenses</b>		
Advertisement & Sales Promotion Expenses	1,224.54	1,083.48
Freight Forwarding & Distribution Expenses	1,154.26	1,653.39
C&F Charges	136.87	230.88
Provision for Doubtful Debts	240.00	175.94
Bad Debts	10.69	29.49
	<b>2,766.36</b>	<b>3,173.18</b>
<b>Total</b>	<b>7,888.19</b>	<b>15,313.81</b>

\* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2019-20, the company has sold power to MSEDCL amounting to Rs. 285.03 lakhs (previous year Rs. 662.12 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 22<sup>nd</sup> March 2019. Post expiry of initial Power Purchase Agreement, generation form windmill was sold to MSEDCL as prevailing rate (current year Rate Rs. 2.52 per Kwh,(previous year Rate Rs. 5.30 per Kwh).

### 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, 2020

	(Rs. in Lakh)	
	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	(14.25)	(14.25)
Income tax effect	-	-
<b>Total</b>	<b>(14.25)</b>	<b>(14.25)</b>

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

	(Rs. in Lakh)	
	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	15.27	15.27
Income tax effect	-	-
<b>Total</b>	<b>15.27</b>	<b>15.27</b>

### 36. Earnings per share (EPS)

	(Rs. in Lakh)	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit/ (Loss) for the year	(4,758.56)	(5,350.25)
Equity shares at the beginning of the year (nos.)	718.59	718.59
Equity shares issued during the year	-	-
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	718.59
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	718.59	718.59
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(6.62)	(7.45)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(6.62)	(7.45)

**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. Sharath Padmanabh Bolar - Independent Director  
Mrs. Bharti Pradeep Dhar - Independent Director  
Mr. Siddharth Pradip Kothari - Independent Director  
Mr. Vivek Grover – Nominee Director of JMFARC (appointed w.e.f. September 18, 2018)  
Mr. Samir Chawla – Nominee Director of JMFARC (appointed w.e.f. September 18, 2018)  
Mr. Veetenkumar H Kavar – Director  
Mr. Rajeshbhai J Likhya – Director  
Mr. Rajesh Sunderlal Shah – Director  
Mr. Rameshchandra Mithalal Derasariya – Director

**Post - employment benefit plans**

Nitco Limited Employees Group Gratuity Schemes  
Nitco Tiles Ltd. Superannuation Fund

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

Anjali Talwar  
Rohan Talwar  
Poonam Talwar  
Abhishek Sureshbhai Mehta  
Ashvinbhai Raghavjibhai Jivani  
Dhirubhai Bhurabhai Boda  
Hardik Rajeshbhai Likhya  
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

**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  
Nitco Paints Pvt. Ltd.  
Saumya Buildcon Pvt. Ltd.  
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 during the period:

(Rs. in Lakh)

Transactions	For the year ended March 31, 2020				For the year ended March 31, 2019			
	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
<b>Power &amp; fuel expenses</b>								
Saisha Trading LLP		-		-		397.47		397.47
<b>Other Expenses</b>								
IB Hospitality Pvt. Ltd.		1.57		1.57		3.01		3.01
Siddharth Pradip Kothari	0.46			0.46	-			-
<b>Directors Sitting Fees</b>								
Pradeep Saxena	-			-	2.35			2.35
Sharath Padmanabh Bolar	2.30			2.30	2.35			2.35
Bharti Pradeep Dhar	1.80			1.80	1.35			1.35
Siddharth Pradip Kothari	1.40			1.40	-			-
Vivek Grover**	1.20			1.20	0.60			0.60
Samir Chawla**	0.90			0.90	0.60			0.60
<b>Rent Paid</b>								
Eden Garden Builders Pvt. Ltd.		2.65		2.65		3.18		3.18
Enjoy Builders Pvt. Ltd.		3.64		3.64		4.37		4.37
Lavender Properties Pvt. Ltd.		2.63		2.63		3.16		3.16
Prakalp Properties Pvt. Ltd.		2.52		2.52		3.02		3.02
Rang Mandir Builders Pvt. Ltd.		3.48		3.48		4.18		4.18
Usha Kiran Builders Pvt. Ltd.		2.63		2.63		3.16		3.16

(Rs. in Lakh)

Transactions	For the year ended March 31, 2020				For the year ended March 31, 2019			
	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
<b>Rent Received</b>								
Saisha Trading LLP		-		-		2.83		2.83
<b>Loans &amp; Advances Returned/ Adjusted</b>								
Nitco Paints Pvt. Ltd.		-		-		55.00		55.00
JM Township & Real Estate Pvt. Ltd.		965.50		965.50		-		-
<b>Loans &amp; Advances Received/ Adjusted</b>								
Nitco Paints Pvt. Ltd.		191.50		191.50		55.00		55.00
<b>Contribution made</b>								
Nitco Limited Employees Group Gratuity Schemes			90.00	90.00			72.28	72.28
Nitco Tiles Ltd. Superannuation Fund			-	-			12.57	12.57

\*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).

Transactions	As at March 31, 2020				As at March 31, 2019			
	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
<b>Amount Receivable/(Payable)</b>								
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		9.19		9.19
Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd.		1.00		1.00		1.00		1.00
Nitco Paints Pvt. Ltd.		(191.50)		(191.50)		-		-
Eden Garden Builders Pvt. Ltd.		(17.97)		(17.97)		(15.81)		(15.81)
Enjoy Builders Pvt. Ltd.		(27.94)		(27.94)		(25.01)		(25.01)
Lavender Properties Pvt. Ltd.		(21.75)		(21.75)		(19.59)		(19.59)
Prakalp Properties Pvt. Ltd.		(20.13)		(20.13)		(18.09)		(18.09)
Rang Mandir Builders Pvt. Ltd.		(28.85)		(28.85)		(26.02)		(26.02)
Usha Kiran Builders Pvt. Ltd.		(21.57)		(21.57)		(19.43)		(19.43)
Saisha Trading LLP		(225.51)		(225.51)		(390.13)		(390.13)
IB Hospitality Pvt. Ltd.		-		-		(0.11)		(0.11)
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)
Northern India Tiles Sales Corporation		(1.73)		(1.73)		(1.73)		(1.73)
JM Township & Real Estate Pvt. Ltd.		-		-		965.50		965.50
Rajeshbhai Likhya	(19.50)			(19.50)	(19.50)			(19.50)



(Rs. in Lakh)

Transactions	As at March 31, 2020				As at March 31, 2019			
	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
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 Vitirified Pvt. Ltd.		18.94		18.94		18.94		18.94
Nilcity Plast Pvt. Ltd.		(0.71)		(0.71)		(0.71)		(0.71)
Vardhman Vitirified Pvt. Ltd.		(1.00)		(1.00)		(1.00)		(1.00)
Guarantee Received - Promoter Group	68,959.26			68,959.26	86,258.31			86,258.31
Nitco Limited Employees Group Gratuity Schemes			(258.47)	(258.47)			(245.56)	(245.56)

**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 Rs.345.13 Lakh for the year ended 31<sup>st</sup> March 2020 (31<sup>st</sup> March 2019 Rs. 353.76 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, 2020 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**

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	884.62	820.82
Current service cost	71.44	78.41
Interest Expense or Cost	62.05	59.06
Past Service Cost		-
Benefits paid	(175.15)	(56.67)
Actuarial (gain)/ loss	15.59	(17.00)
Defined benefit obligation at the end of the year	<b>858.55</b>	<b>884.62</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	639.06	583.22
Investment income	44.83	41.97
Contribution by employer	90.00	72.28
Benefits paid	(175.15)	(56.67)
Expected Interest Income on plan assets	1.34	(1.74)
Fair value of plan assets at the end of the year	<b>600.08</b>	<b>639.06</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Fair value of plan assets	858.55	884.62
Defined benefit obligation	600.08	639.06
Net Asset/ (Liability) recognised in the Balance Sheet	(258.47)	(245.56)
Effects of Asset Ceiling, if any	-	-
Amount recognised in the Balance Sheet	<b>(258.47)</b>	<b>(245.56)</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Current service cost	71.44	78.41
Past service cost		-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	17.22	17.09
Amount recognised in Statement of Profit and Loss	<b>88.66</b>	<b>95.50</b>

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

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Actuarial changes arising from changes in demographic assumptions	(0.18)	(6.02)
Actuarial changes arising from changes in financial assumptions	40.70	5.32
Experience adjustments	(24.93)	(16.29)
Return on plan assets, excluding amount recognized in net interest expense	(1.34)	1.72
Amount recognised in Other Comprehensive Income	<b>14.25</b>	<b>(15.27)</b>

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

Gratuity	March 31, 2020	March 31, 2019	April 1, 2018
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

	March 31, 2020	March 31, 2019
Discount rate (per annum)	5.60%	7.00%
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, 2020 is as shown below:**

	(Rs. in Lakh)			
	March 31, 2020		March 31, 2019	
Defined Benefit Obligation (Base)	858.55		884.62	
Gratuity Plan	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	854.98 3.9%	892.45 -3.7%	916.45 3.6%	854.98 -3.4%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	915.98 -3.6%	827.37 3.8%	854.76 -3.40%	915.98 3.50%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	895.62 -0.5%	854.39 0.0%	857.59 -3.10%	895.62 1.20%
Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)	884.71 0.0%	858.51 0.0%	884.53 0.0%	884.71 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):

	(Rs. in Lakh)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	297.74	314.57
Between 2 and 5 years	412.73	471.61
Between 6 and 10 years	249.85	261.79
Beyond 10 years	122.08	111.45

### 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:

	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
<b>1 Net sales / Income from operations</b>				
- Tiles and other related products	45,400.93		59,170.41	
- Real estate	702.96		280.41	
<b>Total Revenue</b>	<b>46,103.89</b>		<b>59,450.82</b>	
<b>2 Segment results</b>				
- Tiles and other related products	(7,891.04)		(3,919.57)	
- Real estate	(70.88)		24.06	
<b>Total Segment Profit/(Loss)</b>	<b>(7,961.92)</b>		<b>(3,895.51)</b>	
Less :Interest and other financial cost	2,348.00		2,241.77	
Exceptional items	3,212.92		-	
<b>Profit /(Loss) Before Tax</b>	<b>(7,097.00)</b>		<b>(6,137.28)</b>	
<b>3 Capital Employed</b>				
	<b>Segment Asset</b>		<b>Segment Liabilities</b>	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
- Tiles and other related products	78,324.83	97,601.93	24,042.12	29,402.23
- Real estate	23,850.05	26,887.21	419.78	436.50
- Unallocated/ Corporate	667.29	6,265.85	-	-
<b>Total Capital Employed</b>	<b>1,02,842.17</b>	<b>1,30,754.99</b>	<b>24,461.90</b>	<b>29,838.73</b>

**B. Geographical Segment :**

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

(Rs. in Lakh)

Particulars	India		Rest of the world		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue	42,589.32	56,026.17	4,423.00	3,624.54	47,012.32	59,650.71
Carrying cost of Segment assets	1,02,362.42	1,30,395.39	479.75	359.6	1,02,842.17	1,30,754.99
Addition of fixed assets and tangible assets	505.20	887.97	0	0	505.20	887.97

**40. Share based payments**

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the Board of Directors and the shareholders of the Company on 2<sup>nd</sup> April 2019. The scheme entitles employees of the group to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco limited Employee Stock Option Plan
Exercise Price	Rs. 39.55
Vesting conditions	2,78,000 options 12 months after the grant date ('First vesting')
	2,78,000 options 24 months after the grant date ('Second vesting')
	2,78,000 options 36 months after the grant date ('Third vesting')
	2,78,000 options 48 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 4 years from grant
Number of share options granted	11,62,000
Method of settlement	Equity

Stock options will be settled by issue of equity shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs.39.55 per option

**The number and weighted average exercise price of share options are as follows:**

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2018	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
<b>At 31 March 2019</b>	-	-
Exercisable as at 31 March 2019	-	-
Weighted average remaining contractual life (in years)	-	-
At 1 April 2019	-	-
Granted during the year	11,62,000	39.55
Forfeited during the year	50,000	39.55
Exercised during the year	-	-
<b>At 31 March 2020</b>	<b>11,12,000</b>	<b>39.55</b>
Exercisable as at 31 March 2020	-	-
Weighted average remaining contractual life (in years)	3.22	-

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The

fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Grant Date	3 April 2019	8 July 2019	12 March 2020
Vesting Date	2 April 2023	7 July 2023	11 March 2024
Expiry Date			
Fair value of option at grant date	38.90	31.75	16.30
Exercise price	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	3.22	3.22	3.22
Risk Free Interest Rate	6.14%	6.14%	6.14%

#### 41. Commitments & Contingencies

##### (a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31 March 2020 are Rs.48.93 Lakh (31 March 2019 - Rs. 65.42 Lakh).

##### (b) Contingent Liabilities

	As at 31 March 2020	As at 31 March 2019
a) Bank Guarantee given by the company	4,218.11	4,453.48
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 (Gross)	6,028.13	5,228.37
c) Legal matters	97.53	268.46
d) Estimated amount of Interest on loan which is not provided in the books	2,005.79	-

- 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/apellate proceedings.
- The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17000 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.
- 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 Rs. 5,105.88 Lakh in this regard. The company has filed a writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing.
- Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to Rs. 40,560.23 Lakh in the FY 2017-18 & Rs. 14,032.15 lakhs in FY 2019-20. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company
- Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility on terms similar to restructuring done by JMFARC. Pending negotiations with LIC & DBS, no further adjustments in respect of LIC facility has been made.

#### 42. 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.

		As at 31 March 2020	As at 31 March 2019
Debt#	A	71,567	88,501
Cash & cash equivalent	B	1,067	6,016
Net Debt	C=(A-B)	70,500	82,485
Equity	D	4,959	12,232
Net Debt to Equity ratio	E=(C/D)	14.22	6.74

# 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.

Adverse capital gearing ratio reflects increase in equity on account of losses earned during the year

#### 43. 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:

	(Rs. in Lakh)			
	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets at amortised cost:</b>				
Cash and cash equivalents (Refer Note 11)	1,067.25	1,067.25	1,593.20	1,593.20
Other Bank Balances (Refer Note 12)	0.00	0.00	4,423.26	4,423.26
Trade Receivables (Refer Note 10)	14,487.48	14,487.48	20,975.76	20,975.76
Loans (Refer note 13)	2,892.27	2,892.27	3,862.43	3,862.43
Other Financial Assets (Refer Note 6 & 14)	3,464.74	3,464.74	3,886.56	3,886.56
<b>Total</b>	<b>21,911.74</b>	<b>21,911.74</b>	<b>34,741.21</b>	<b>34,741.21</b>
<b>Financial assets at fair value through Profit and Loss</b>	-	-	-	-
Investments	-	-	-	-
<b>Financial assets at fair value through Other Comprehensive Income:</b>	Nil	Nil	Nil	Nil
<b>Financial liabilities at amortised cost:</b>				
Trade Payables (Refer note 23)	16,602.75	16,602.75	20,709.35	20,709.35
Other Financial Liabilities (Refer Note 24)	2,129.10	2,129.10	2,236.22	2,236.22
Borrowings (Refer Note 19, 22 & 24)	73,231.23	73,231.23	88,501.01	88,501.01
<b>Total</b>	<b>91,963.08</b>	<b>91,963.08</b>	<b>111,446.58</b>	<b>111,446.58</b>
<b>Financial liabilities at fair value through Statement of Profit and Loss</b>	Nil	Nil	Nil	Nil
<b>Financial liabilities at fair value through Other Comprehensive Income</b>	Nil	Nil	Nil	Nil

#### 44. 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 before tax			
		USD	EUR	AED	Total
<b>As at March 31, 2020</b>	+5%	(31.76)	2.99	(1.07)	(29.81)
	-5%	31.76	(2.99)	1.07	29.81
<b>As at March 31, 2019</b>	+5%	(11.58)	(3.44)	(0.98)	(16.00)
	-5%	11.58	3.44	0.98	16.00

## 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 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:  
(Rs. in Lakh)

	March 31, 2020	March 31, 2019
Fixed Rate Borrowings	69,586.53	84,945.69
Floating Rate Borrowings	3,644.70	3,555.32
<b>Total Borrowing</b>	<b>73,231.23</b>	<b>88,501.01</b>

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, 2020 would decrease/increase by Rs. 18.22 lakh (for the year ended March 31, 2019: decrease/increase by Rs. 17.78 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:**

	March 31, 2020	March 31, 2019
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.	3,296.15	5,444.39
Other trade receivables	11,191.33	15,531.37
<b>Total</b>	<b>14,487.48</b>	<b>20,975.76</b>

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2020 on account of carrying amount of loan / 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:

	(Rs. in Lakh)						
	On demand	' 1 year	1 - 3 yrs	3 - 5 years	' 5 years	Total	Carrying Amount
<b>As at 31 March 20</b>							
Borrowings		18,035.28	35,195.95	-	20,000.00	73,231.23	73,231.23
Trade payables		16,602.75				16,602.75	16,602.75
Other financial liabilities	812.14	1,316.96				2,129.10	2,129.10
<b>Total</b>	<b>812.14</b>	<b>35,954.99</b>	<b>35,195.95</b>		<b>20,000.00</b>	<b>91,963.08</b>	<b>91,963.08</b>
<b>As at 31 March 19</b>							
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
<b>Total</b>	<b>2,980.34</b>	<b>34,214.27</b>	<b>14,515.10</b>	<b>25,704.72</b>	<b>34,032.15</b>	<b>111,446.58</b>	<b>111,446.58</b>

#### 45. Exceptional item

- The company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14032.15 lakhs has been written back.
- As on 31<sup>st</sup> March 2020, management has considered that the losses suffered by New Vardhman Vitriified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the investment & loans given to subsidiary. According management has estimated a provision of Rs. 3,832.11 Lakhs as a diminution in the carrying value of its investment and loans. Decision of the management is mainly based on existing market conditions. Management has also recognized impairment in certain categories of financial and non-financial assets aggregating to Rs. 6,987.12 lakhs

#### 46. Research and development expenditure

	(Rs. in Lakh)	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment)	33.96	84.92

#### 47. Balance confirmation

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

- The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 26<sup>th</sup> June, 2020.

In terms of our report of even date annexed

For and on behalf of the Board

**For Nayak & Rane**  
Chartered Accountants

**Vivek Talwar**  
Chairman & Managing  
Director

**Bharti Dhar**  
Director

**Sharath Bolar**  
Director

FRN No. 117249W

(DIN: 00043180)

(DIN: 00442471)

(DIN: 07009701)

**Kishore Rane**  
Partner  
Membership No.: 100788

**Mahesh Shah**  
CEO

**Ramesh Iyer**  
CFO

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

Place : Mumbai  
Dated: June 26, 2020



**NITCO LIMITED**

Plot No. 3, Nitco House,  
Kanjur Village Road,  
Kanjur Marg (E),  
Mumbai - 400042.  
Tel.: +91-22-67521555  
Fax: +91-22-67521500.  
Toll free: 1800 209 9898  
marketing@nitco.in  
www.nitco.in

