NITCO

TILES MARBLE MOSAICO

September 01, 2021

To,

Corporate Service Dept. **BSE Limited** Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Script code: 532722	The Listing Department, **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Script code: NITCO

Ref.: - BSE Code: 532722; NSE Code: NITCO; ISIN: INE858F01012

Sub: Submission of Annual Report and Notice of 55th Annual General Meeting of the Company & Book Closure dates

Dear Sir/Madam,

This is to inform you that the 55th Annual General Meeting of the Company will be held on Friday, 24th September, 2021 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 2020-21 and Notice of the 55thAnnual General Meeting will be sent today i.e. September 01, 2021 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-2020-21.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, 18th September, 2021 to Friday, 24th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.

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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 21, 2021 at 9:00 A.M. and ends on Thursday, September 23, 2021 at 5:00 P. M.

Kindly take the same on record.

Thanking You,

Yours Faithfully,
For **NITCO Limited**

PUNEET ASHOK MOTWANI

Digitally signed by PUNEET ASHOK MOTWANI
DN: c=IN, o=Personal, title=1752, pseudonym=04913b39af873531a295e4efe0657415d11e0eb8c975e787401da8e7040e3397, postalCode=400050, st=Maharashtra, serialNumber=e5cad98cfd24de3726066fdfaa0affa081c6f46c029e402765ee6085e6a92fd4, cn=PUNEET ASHOK MOTWANI
Date: 2021.09.01 12:29:44 +05'30'

Puneet Motwani
Company Secretary & Compliance Officer

Corporate Office: NITCO Limited, NITCO House, Sheth Govindram Jolly Marg, Kanjur Marg (East), Mumbai- 400 042.
Tel.: 91-22-67302500|67521555, **Fax:** 91-22-25786484. **CIN:** L26920MH1966PLC016547.
Email: investorgrievances@nitco.in, **Website:** www. nitco.in

Registered Office: Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400042
Tel: +91 22 6752 1555 / **Fax:** +91 22 6752 1500 / **Email:** investorgrievances@nitco.in
CIN: L26920MH1966PLC016547 / Website: www.nitco.in

NOTICE

Notice is hereby given that the **55th Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Friday, the 24th day of September, 2021 at 11:00 a.m.** through Video Conferencing (VC) or other Audio Visual means (OAVM) to transact following businesses:

ORDINARY BUSINESS

1. To consider and adopt
   a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2021 and the Reports of Directors and Auditors of the Company thereon;
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2021 together with the Report of the Auditor's thereon;
2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as 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, 2022, 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."

4. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and section 160 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Manish Puri (DIN: 02615918), who was appointed as an Additional Director (Non-Executive and Independent) of the Company with effect from 7th August, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office is not liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 2013, being so eligible, be appointed as an Independent Director of the Company for a term of 5 consecutive years w.e.f. 7th August, 2021 upto 6th August, 2026 and who shall not be liable to retire by rotation."

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

Sd/-

Puneet Motwani	**August 11, 2021**
Company Secretary	**Mumbai**

NOTES

1. 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,Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021("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 and Circular dated January 15, 2021 ("SEBI Circulars"), 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 55th 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.
2. 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.
3. Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed. 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 Circulars as mentioned in point no.1 of the notes, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.nitco.in and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intime at www.linkintime.co.in.
7. Member whose e-mail address is 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 Depositary 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
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
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 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 served 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 55th AGM being held through VC/OAVM.

13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th day of September, 2021 TO Friday, the 24th day of September, 2021 (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. Manish Puri (DIN:02615918) 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

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 for e-voting:

I. The voting period begins on Tuesday, September 21, 2021 (9.00 a.m) and ends on Thursday, September 23, 2021 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date Friday, September 17, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

II. 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 55th 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.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all **the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

III. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 .

IV. Login method for e-voting and joining virtual meeting **for shareholders other than individual shareholders & physical shareholders.**

1. The shareholders should log on to the e-voting website at www.evotingindia.com
2. Click on "Shareholders" tab.
3. 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 and voted on an earlier voting of any company, then your existing password is to be used.

VII. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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 (v).

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 also to be 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 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.

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:

1. 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
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

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

1. The procedure for attending meeting & e-voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders are encouraged to join the Meeting through Laptops / Ipads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. 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.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. If any votes are cast by the shareholders through the e-voting available during the EGM/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.

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

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. 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.

XVIII. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as "Corporates" modules.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to krupa@krupajoisar.com with the copy marked to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investorgrievances@nitco.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

XIX. In case you have any queries or issues regarding AGM & 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.

XX. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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, 17th September, 2021 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. 17th September, 2021.

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

Explanatory 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 11, 2021 on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 10682) as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2022, 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. 3 of this Notice.

Item No.4:

Mr. Manish Puri (DIN: 02615918) was appointed as an Additional Director (Non-executive & Independent) w.e.f. 7th August, 2021, through Circular Resolution passed by the Board of Directors which was subject to the shareholder's approval.

The Company has received consent from Mr. Manish Puri, in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, in terms of provisions of Sections 149 and 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board hereby recommends appointment of Mr. Manish Puri as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years w.e.f. 7th August, 2021 upto 6th August, 2026 and who shall not be liable to retire by rotation.

The Company has also received declaration from Mr. Manish Puri that he meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Companies Act, 2013.

Accordingly, the Company hereby seeks the approval of shareholders for the appointment of Mr. Manish Puri as an Independent Director of the Company by passing Ordinary Resolution.

Details of Mr. Manish Puri, as required to be given pursuant to the Listing Regulations and the Secretarial Standards is attached to this notice.

The Board of Directors recommend the Ordinary Resolution as set out in Item no. 4 of the Notice for the approval of the shareholders.

Other than Mr. Manish Puri and his relatives, none of the Directors or Key Managerial Personnels of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

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

Sd/-
Puneet Motwani **August 11, 2021**
Company Secretary **Mumbai**

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard- 2)

Name of the Director	**Manish Puri**
Date of Birth	23/02/1967
Date of first Appointment on the Board	07/08/2021
Experience/Expertise in specific functional areas/ Brief resume of the Director	Mr. Manish Puri has more than 25 years of experience in the Rail, Ports & Containerization sector, with additional expertise in the areas of Warehousing & Distribution Management, Cold-Chain Operations, PPP Engagements, Consulting, Operations Planning, Management & Control. He began his career with the Government of India in 1989 as member of the Indian Railway Traffic Service. During tenure with the government, he has managed rail freight operations for Delhi Area, and was head of Operations at the largest ICD in Asia at Tughlakabad. Later he was responsible for setting up new ICD facilities for Concor at Moradabad, Kanpur, Jodhpur etc.
	He then joined the private sector in 2003, and subsequently worked in senior management roles with international companies in Ports (P&O Ports), Logistic Parks (Transworld-Dubai) & Rail sector (Boxtrans Logistics and APLL-IndiaLinx). Worked as an Entrepreneur by setting up a consulting practice (PiVOT Consultants) with a small team and worked as a Strategic Advisor & Consultant in logistics and infrastructure, advising large Indian conglomerates and the Government of India for various projects. Have also served on various expert committees, of ASSOCHAM, CII etc., and currently hold the position of President of the Association of Container Train Operators. He brings to the table, a wide range of operational experience in the areas of Rail, Ports, Terminals, Warehousing, and access to a vast network of logistics professionals and best practices in the business. After having worked for 6 years as the Managing Director of IILPL (IndiaLinx), a rail logistics company, which is a subsidiary of APL Logistics (part of the KWE group), he has now returned to an Independent consulting and advisory role.
Terms & conditions of appointment/re-appointment	As per explanatory statement
Details of remuneration sought to be paid and remuneration last drawn	As per explanatory statement
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	NA
Number of meetings of the Board of Directors attended during the F.Y. 2020-21	NA
Other Directorships held	**Companies in which he is a Director :** 1) RailRunner Innovations Private Limited
Membership/Chairmanship of Committees of other Boards	NIL
Shareholding in the Company	NIL

Name of the Director	Manish Puri
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	He possesses requisite skills & expertise in the areas of Warehousing & Distribution Management, Cold-Chain Operations, PPP Engagements, Consulting, Operations Planning, Logistics & Infrastructure domain, Business & Strategic Advisory, Management & Control.

Registered Office: Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400042
Tel: +91 22 6752 1555 / **Fax:** +91 22 6752 1500 / **Email:** investorgrievances@nitco.in
CIN: L26920MH1966PLC016547 / Website: www.nitco.in

NOTICE

Notice is hereby given that the **55th Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Friday, the 24th day of September, 2021 at 11:00 a.m.** through Video Conferencing (VC) or other Audio Visual means (OAVM) to transact following businesses:

ORDINARY BUSINESS

1. To consider and adopt
   a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2021 and the Reports of Directors and Auditors of the Company thereon;
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2021 together with the Report of the Auditor's thereon;
2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself for re-appointment;

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as 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, 2022, 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."

4. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and section 160 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Manish Puri (DIN: 02615918), who was appointed as an Additional Director (Non-Executive and Independent) of the Company with effect from 7th August, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office is not liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 2013, being so eligible, be appointed as an Independent Director of the Company for a term of 5 consecutive years w.e.f. 7th August, 2021 upto 6th August, 2026 and who shall not be liable to retire by rotation."

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

Sd/-
Puneet Motwani **August 11, 2021**
Company Secretary **Mumbai**

NOTES

1. 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,Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021("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 and Circular dated January 15, 2021 ("SEBI Circulars"), 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 55th 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.
2. 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.
3. Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed. 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 Circulars as mentioned in point no.1 of the notes, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.nitco.in and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intime at www.linkintime.co.in.
7. Member whose e-mail address is 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 Depositary 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
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
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 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 served 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 55th AGM being held through VC/OAVM.

13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th day of September, 2021 TO Friday, the 24th day of September, 2021 (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. Manish Puri (DIN:02615918) 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

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 for e-voting:

I. The voting period begins on Tuesday, September 21, 2021 (9.00 a.m) and ends on Thursday, September 23, 2021 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date Friday, September 17, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

II. 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 55th 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.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all **the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

III. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 .

IV. Login method for e-voting and joining virtual meeting **for shareholders other than individual shareholders & physical shareholders.**

1. The shareholders should log on to the e-voting website at www.evotingindia.com
2. Click on "Shareholders" tab.
3. 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 and voted on an earlier voting of any company, then your existing password is to be used.

VII. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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 (v).

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 also to be 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 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.

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:

1. 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
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

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

1. The procedure for attending meeting & e-voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders are encouraged to join the Meeting through Laptops / Ipads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. 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.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. If any votes are cast by the shareholders through the e-voting available during the EGM/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.

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

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. 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.

XVIII. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as "Corporates" modules.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to krupa@krupajoisar.com with the copy marked to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investorgrievances@nitco.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

XIX. In case you have any queries or issues regarding AGM & 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.

XX. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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, 17th September, 2021 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. 17th September, 2021.

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

Explanatory 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 11, 2021 on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 10682) as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2022, 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. 3 of this Notice.

Item No.4:

Mr. Manish Puri (DIN: 02615918) was appointed as an Additional Director (Non-executive & Independent) w.e.f. 7th August, 2021, through Circular Resolution passed by the Board of Directors which was subject to the shareholder's approval.

The Company has received consent from Mr. Manish Puri, in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, in terms of provisions of Sections 149 and 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board hereby recommends appointment of Mr. Manish Puri as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years w.e.f. 7th August, 2021 upto 6th August, 2026 and who shall not be liable to retire by rotation.

The Company has also received declaration from Mr. Manish Puri that he meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Companies Act, 2013.

Accordingly, the Company hereby seeks the approval of shareholders for the appointment of Mr. Manish Puri as an Independent Director of the Company by passing Ordinary Resolution.

Details of Mr. Manish Puri, as required to be given pursuant to the Listing Regulations and the Secretarial Standards is attached to this notice.

The Board of Directors recommend the Ordinary Resolution as set out in Item no. 4 of the Notice for the approval of the shareholders.

Other than Mr. Manish Puri and his relatives, none of the Directors or Key Managerial Personnels of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

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

Sd/-
Puneet Motwani **August 11, 2021**
Company Secretary **Mumbai**

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard- 2)

Name of the Director	**Manish Puri**
Date of Birth	23/02/1967
Date of first Appointment on the Board	07/08/2021
Experience/Expertise in specific functional areas/ Brief resume of the Director	Mr. Manish Puri has more than 25 years of experience in the Rail, Ports & Containerization sector, with additional expertise in the areas of Warehousing & Distribution Management, Cold-Chain Operations, PPP Engagements, Consulting, Operations Planning, Management & Control. He began his career with the Government of India in 1989 as member of the Indian Railway Traffic Service. During tenure with the government, he has managed rail freight operations for Delhi Area, and was head of Operations at the largest ICD in Asia at Tughlakabad. Later he was responsible for setting up new ICD facilities for Concor at Moradabad, Kanpur, Jodhpur etc.
	He then joined the private sector in 2003, and subsequently worked in senior management roles with international companies in Ports (P&O Ports), Logistic Parks (Transworld-Dubai) & Rail sector (Boxtrans Logistics and APLL-IndiaLinx). Worked as an Entrepreneur by setting up a consulting practice (PiVOT Consultants) with a small team and worked as a Strategic Advisor & Consultant in logistics and infrastructure, advising large Indian conglomerates and the Government of India for various projects. Have also served on various expert committees, of ASSOCHAM, CII etc., and currently hold the position of President of the Association of Container Train Operators. He brings to the table, a wide range of operational experience in the areas of Rail, Ports, Terminals, Warehousing, and access to a vast network of logistics professionals and best practices in the business. After having worked for 6 years as the Managing Director of IILPL (IndiaLinx), a rail logistics company, which is a subsidiary of APL Logistics (part of the KWE group), he has now returned to an Independent consulting and advisory role.
Terms & conditions of appointment/re-appointment	As per explanatory statement
Details of remuneration sought to be paid and remuneration last drawn	As per explanatory statement
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	NA
Number of meetings of the Board of Directors attended during the F.Y. 2020-21	NA
Other Directorships held	**Companies in which he is a Director :** 1) RailRunner Innovations Private Limited
Membership/Chairmanship of Committees of other Boards	NIL
Shareholding in the Company	NIL

Name of the Director	Manish Puri
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	He possesses requisite skills & expertise in the areas of Warehousing & Distribution Management, Cold-Chain Operations, PPP Engagements, Consulting, Operations Planning, Logistics & Infrastructure domain, Business & Strategic Advisory, Management & Control.

NITCO

TILES MARBLE MOSAICO

ANNUAL REPORT

2021

What's Inside...

Corporate Information

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. Rakesh Kashimpuria, Nominee Director*
***Nominee of JM Financial Asset Reconstruction Company Limited**

Chief Financial Officer
Mr. Ramesh Iyer

Company Secretary and Compliance Officer
Mr. Puneet Motwani

Statutory Auditor
Nayak & Rane,
Chartered Accountants

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

(Nitco Limited (NSE: NITCO, BSE: 532722), established in 1953 by Late Mr. Prannath Talwar, is India's prominent floor and wall solutions company. NITCO, one of the most widely recognised brands, is the only company in the world with presence in all three surfaces: namely, tiles, marble, and mosaic, with a comprehensive product range in each category. The prime mission of the Company is to always offer cutting-edge designs and products that are the choice of discerning architects and consumers. The Company differentiates itself by being a creative surface partner to its clients, by suggesting the most appropriate functional designs and product solutions that match specific applications. The Company also prides itself as the provider of the best natural marble slabs in the industry, with unique capabilities for processing natural marble to optimise form factor and costs. Headquartered in Mumbai, NITCO's pan-India presence is facilitated through display centres, franchisees, retail network spread across the country. NITCO enjoys a sizeable client base overseas and exports to over 40 countries. For more information, please visit www.nitco.in.

Tiles, Marble and Mosaico

NITCO is headquartered in Mumbai and possesses a pan-India presence through a wide distribution network.
Its Marble plant is located in Silvassa (Dadra and Nagar Haveli).

Pan India and beyond

Our pan-India presence is facilitated through 15 offices. Our strong distribution network comprises more than 380 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 380 active direct dealers and 1800 active sub dealers spread over. The company also owns 9 exclusive display centres under the brand name 'Le Studio' as well as 143 franchisee stores across India and Nepal, known as 'Le Studio Express' (LSE), 'NITCO Look' and 'NITCO Galore'.

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, using the most Modern Italian Technology (Breton) to process Natural Marble. We use the best quality Epoxy Resin & Imported Fiber Glass Net in our plant to add strength and durability to the slabs of Natural Marble. The Grinding-Polishing line delivers the highest gloss level of above 30% more than conventional polishing

International Expertise

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

Design Partner

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

Business model

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

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

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.

Customer Focussed
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

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.

The NITCO Made in Italy Collection is one of its kind, available in large sizes of 8x4 ft in 6mm thickness, and the only tiles in India suitable for heavy-duty areas like shopping malls, airports etc.

Globally certified as COVID-19 sanitization resistant, these tiles have the highest durability and unique Italian designs that captivate all the senses.

The 3 new XL designs in the Made In Italy Collection are available in interesting colors like Blue Concrete (Azul), Black (Graphite) and Decor (Moda Bleu).

1. NITCO Talks - Webinars by NITCO

The pandemic situation brought the world to a halt. The lockdown meant that many had to pause their immediate business operations and revise long term strategies.

Every cloud has a silver lining and at NITCO, this break brought us an opportunity to connect with the world's esteemed architects, interior designers and real estate tycoons. It was a welcome move and we were overwhelmed with the participation we saw from our partners and customers globally.

That's how #NITCOTalks - Webinars by NITCO was born and every weekend saw an insightful exchange of ideas, stories, experiences, challenges and solutions. To date, we have successfully engaged with over 120 designers, with over 8,000 unique participants and a reach of over 0.2 million on Facebook. We also collaborated with the Society of Nepalese Architects (SONA) for a webinar that involved Nepal's esteemed architects Arun Dev Pant, Damodar Acharya, Dr. Jharna Joshi, Suyog Kayastha, Arjun Basnet. This webinar was also featured on Nepal's popular media channel, News24.

2. NITCO Forays into the USA Tile Market

NITCO has been the only and the first Indian tile brand to carve an entry as the preferred tile brand supplier for one of the large counter retail entities in the US. It has secured the largest export business order on the strength of its design and quality, garnering an entry across more than 1000 stores in the US.

The customer is a US based large-counter retail entity specialising in sales of hardware, home improvement and seasonal interior decoration products catering mainly to the home improvement professionals, construction and Do-It-Yourself (DIY) concept clients. It operates retail chain stores across US and Canada and is one amongst the top five in the Home Improvement Retail industry in the US and the world.

Accomplishment of this export order reaffirms NITCO's strength in creative design, innovation and as a trendsetter brand. Our teams visited Italian quarries to procure natural stones and created designs, scanning from the right colour/type of stones that led to the success of the order. This will enable us to establish a strong presence in the US market and tap other customers in the region.

3. NITCO Made In Italy

The NITCO Made In Italy Collection is one of its kind, available in large sizes of 8x4 ft in 6mm thickness, and the only tiles in India suitable for heavy-duty areas like shopping malls, airports etc.

Globally certified as COVID-19 sanitization resistant, these tiles have the highest durability and unique Italian designs that captivate all the senses.

The 3 new XL designs in the Made In Italy Collection are available in interesting colors like Blue Concrete (Azul), Black (Graphite) and Decor (Moda Bleu).

4. Mason Training Programme, in association with Learnet & National Skill Development Corporation (NSDC)

In March 2021, NITCO welcomed the Mason community to its "Training of Trainers Programme" in Tonk, Rajasthan, as part of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), in association with Learnet Skills Limited the largest vocational skills company in the country.

As more opportunities open up in the Building Materials Industry, it is imperative that the relevant communities are equipped with the right knowledge and skills to build expertise and showcase professional competency.

All India - Certified Product Training Program - for strengthening frontline dealer sales staff

5. NITCO Dealer Connect

At NITCO, we are honored to have our dealers' support; and we have also been witness to new beginnings with more partners joining our ever growing family, across the country.

On this note, we revamped our 'Dealer Connect' portal to give our dealers an even more seamless experience.

With this one, single powerful tool, they can:

- Track Sales performance
- Monitor inventory
- Know the region wise best performing SKUs
- Know the total leads generated by them, all in one dashboard!

Not just this, but we have a media library from where they can download all our latest product catalogues and a section where they can check all the latest news & updates about the industry.

What's more; they can also clear all their outstanding payments on the Dealer Connect portal itself, using our newly introduced Payment Gateway!

6. D/code Design Biennale (Sep-Oct 2020)

Digital walkthroughs, product displays, art installations, live chats & webinars - these were just a few of the online mediums of design expression covered at The D/code Design Biennale! Brilliant guest curators created products in collaboration with global design brands. NITCO collaborated with young architects Shonali Mahajan and Ali Baldiwala.

7. Kalari - Architecture event in Kerala

On 13th & 14th March of 2021, NITCO was honoured to be a part of the largest Architect Meet of the country,Kalari in Thiruvananthapuram. The two days saw a plethora of innovative ideas, genius minds, awe-inspiring speeches by eminent personalities from the industry and a whole lot of creativity!

8. Coverings 2021

The premier international tile & stone exhibition and conference in North America is back! The place to experience the newest global tile & stone trends, this is the perfect opportunity to interact with architecture and design *gurus*. It gives us immense joy to be a part of the 3 days of endless inspiration and fun in July 2021!

9. Vivek Talwar featured in Realty NXT

In the latest episode of the "Let's Talk Business Series", Mr. Vivek Talwar Managing Director Of Nitco, talks about how the Indian ceramic industry is booming for the last few months, the latest Indian and global trends, how we have been using technology at NITCO, the industry chain is accelerating its shift from China to India, its opportunities, challenges and much more! Video link:
https://www.youtube.com/watch?v=e6YrGnapWVs&t=182s

10. Cut to Size Marble - A unique offering by NITCO

NITCO's Cut to Size marble is every architect's dream come true. With over 300 natural marble designs, they can pick their choice of slab and we cut it to the size and shape they require. With no wastage of time and material, this is one of the most sought-after services in the industry. And NITCO is the first to provide it to its clients. With an advanced and precision-based technology, the cut-to-size marble service helps them stay a cut above the rest.

After years of research, NITCO has introduced this service for those who are in the business of construction and are in need of such a product. Zero involvement of middlemen cuts down costs and also any kind of spillage or wear & tear. A unique trial layout visualization with our dry lay step helps deliver fast installation, reduced labour cost and value for money. It also helps in keeping a track of the exact number of pieces required. Once final, each marble piece is packed in a damage-proof packaging that helps keep the product intact.

The NITCO Cut-To-Size marble comes Ready-To-Lay ensuring a quicker installation process that saves up on time. Moreover, the finish, polish and flatness accuracy are 30% superior than manual polish which is achieved with the help of UV resin coating and UV light drying. The entire service is completely hassle-free, quick & speedy and more precise and optimized owing to automation.

11. Welcome to the Future

When 2020 has been digitally forward, imagine what this year beholds! The newest NITCO digital facilities are already taking our customers by storm, in the best way possible! In our purpose to offer them the highest bar of convenience, we have used technology to come up with the smartest solutions!

- Visualizer: Now you can take a virtual look-test and tile your home with the NITCO Visualizer. If you are planning a home renovation but don't want to step out of the house, simply tap, tile, and switch away! With this, you can find the perfect tiles for your space with just one click, all from the comfort of your home or bed, we don't judge!

- Le Studio: We wanted to create an experience that maximises your comfort and convenience. In the current times, we know that it's not been quite feasible to head out and go showroom-hopping. That's why, with NITCO Le Studio, the showrooms come to you! You can simply call us and we will arrange a video call with your nearest showroom. You get a ring at an hour decided by you, wherein you can go through the entire NITCO collection virtually. So, browse, choose, and order - all from your home! Because with NITCO, decor ideas are now just a video call away.

- Tile Buying Guide: If you're confused about which tiles to choose, we've got you! Our detailed and thorough Tile Buying Guide takes you through the whole process - from the basics of what to look for, to the more advanced information about how to maintain tiles, you'll get it all. We simply help you choose your space, know your style, pick your pattern, and you've reimagined your space in no time! When it's about tiles, NITCO always provides the perfect solution.

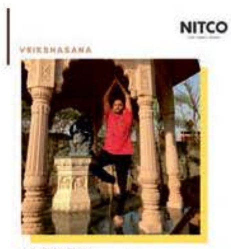
- Blog: It could be a task to keep up with the fast-changing trends of the design industry. But with us, you will never miss the trend-train again! Our brand new blog section is here to inspire your creativity with the latest styles of the world of interior design, everyday.

12. Sponsorship of Prestige Golf Tournament, Bangalore

We were glad to be one of the sponsors of India's Best Golf Course's Prestige Master of Masters 2020 Tournament. Here are a few glimpses from the event

13. Coming together of employees during Lockdown - Employee Engagement

To emotionally support our employees in the unending lockdown situation, we kept engaging them with activities that helped them ease off work-from-home boredom. These campaigns helped the team stay connected despite being boundaries apart.



We also engaged with architects on initiatives like International Yoga Day, to foster relationships with and keep them connected to the brand.

14. NITCO Marble film - Regional languages

Our film on the marble plant in Silvassa was dubbed in six regional languages like Telugu, Kannada, Punjabi, etc. and published on YouTube, to reach out to more local audiences.

15. New store launches across India

New beginnings are always a reason to celebrate, for our growing NITCO family!
Here's to the latest NITCO showrooms all over the country. Despite the pandemic challenges, we were happy to launch over 25 showrooms across the country.
We also managed little surprises for a few dealers, like celebrating their birthdays, despite geographical challenges.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 55th Annual Report on the business and operations of the Company together with the audited statement of accounts of the Company for the year ended 31st March, 2021.

Financial results

The highlights of the financial results for the year ended 31st March, 2021 are as follows:

(Rs. in crores)

For the year ended March 31	Standalone		Consolidated	
	2021	**2020**	**2021**	**2020**
Total Revenue	**327.67**	**466.76**	**330.08**	**469.34**
Profit /(Loss) before interest depreciation and tax	**(36.99)**	**(38.75)**	**(45.55)**	**(36.61)**
Interest & Financial Charges (Net)	53.62	23.21	53.62	23.22
Depreciation	30.75	30.54	30.75	30.54
Exceptional Items (Loss)	0	32.13	0	70.45
Profit/(loss) from Continuing Operations before tax	**(121.36)**	**(60.37)**	**(129.92)**	**(19.92)**
Provision for tax including taxes for earlier years	3.77	0.82	3.77	1.23
Net Profit/(loss) from Continuing Operations before tax	**(125.13)**	**(61.19)**	**(133.68)**	**(21.15)**
Net Profit/(loss) from Discontinuing Operations	**0**	**0**	**(6.26)**	**(51.05)**
Profit/(loss) after tax	**(125.13)**	**(61.19)**	**(139.94)**	**(72.20)**

Review of operation

During FY 2020-21, your Company was able to achieve total revenue of Rs. 327 cr. The revenue decreased by 30% over last year mainly due to Covid-led pandemic. The Company is enjoying strong brand equity in the market. EBITDA loss was Rs. 39.5 crores in FY 2020-21. However, company has been reporting consistent positive operating EBIDTA (excluding provision against current assets and one-off items) for its tiles, marble & mosaic business since September 2020.

Share Capital

The paid up Equity Share Capital as at 31st March, 2021 stood at Rs. 71.86 crore. There was no change in the share capital during the year under review.

Transfer to Reserves

The Company has not transferred any amount to the Reserves for the year ended 31st March, 2021.

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 at https://www.nitco.in/corporate/investors/esop

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 28th 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. 19.73 crs.) on terms similar to restructuring done by JMFARC. Pending negotiations with LIC & DBS no further adjustments in respect of LIC facility has been made. Company is in negotiation with DBS Bank to waive off the interest amount as on date.

Pending realisation from sale of non-core assets, there was default in repayment of term loan installments of Rs. 203.21 Crores, which were repayable as on 31st March, 2021.

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.

Divestment in Joint Venture Company

Company is in the process of selling the entire stake in New Vardhman Vitrified Pvt. Ltd. (NVVPL) Company has received the advance consideration amount towards the said divestment, however transfer of shares of NVVPL could not be completed due to non-receipt of no objection certificate from the lenders of the company. As at 31st March, 2021 the shareholding of the company in New Vardhman Vitrified Private Limited is 49%, however the company has no influence over NVVPL or its KMP nor it controls the composition of its board.

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 31st March, 2021.

Material Changes

Lockout at Tiles manufacturing unit at Alibaug

On 27th 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-co-operation, 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 1st quarter of F.Y. 2020-21. 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.

Material Developments

Newly opened Franchise Showrooms and Dealer Showrooms:

Headquartered in Mumbai, NITCO's pan-India presence is facilitated through display centres, franchisees and a retail network spread across the country. In the Financial year 2020-21 NITCO launched 27 new franchise showrooms and 214 new dealers were appointed. These new showrooms were opened pan India in regions like Manipur, Madhya Pradesh, Kerala, Jharkhand, Bihar, West Bengal, Punjab and more. With these additions, the total count of NITCO's Company owned and active franchise showrooms stand at 10 and 120 respectively. Due to ongoing support extended by NITCO towards its growing dealer family, many dealers have been able to multiply their business. NITCO also provides support by conducting mason and architect meets regularly, thereby enabling the communities with big and small projects.

New Product launch:

NITCO also unveiled a wide range of Made in Italy tiles that are environment friendly. Globally certified as COVID-19 sanitisation resistant, these tiles have the highest durability and unique Italian designs that captivate all the senses. The collection boasts of a range in all sizes from small, medium to extra large, (2x1 ft, 2x2 ft, 2x4 ft to 8x4 ft) covering all popular colour ranges from Marble, Stone, Cement and the Nuevo Italian Look, a modern mix typology. To top it all, the new range of large format tiles comes with the best in class latest technology, in 6mm thickness (8x4 ft.), with the highest strength and durability in the industry, higher than any existing tile. These are the only full body unglazed tiles in India that can be used for heavy duty areas like shopping malls, airports etc. Italian precision technology makes these tiles technically superior and the right choice for usage across all application areas such as outdoors, commercial areas, and residential, for both wall and floor applications.

Company also launched the new range of Natural Marbles from Turkey, Greece, Portugal and Spain.

Trainings under Pradhan Mantri Kaushal Vikas Yojana:

Nitco has tied up with Learnet Skills Limited (a subsidiary of Schoolnet India) to work jointly in the construction skill development space for establishing 3 construction sector under Centre of Excellence (COE) located at Rajasthan (Tonk), AP (Duttalur) and Chindwara (MP) and will be further extended across India. The COE offers array of employability linked/upskilling programs in construction sector catering skilled workforce need across entry and mid-level.

Learnet Skills Limited in partnership with National Skill Development Corporation (NSDC) are committed for delivering skills training programmes for inclusive growth of students in school, unemployed youth, trainers, and existing workforce leading to employability, employment and/or productivity enhancement. These programmes have yielded impact through improvement in income and standard of living, not only for individuals but also their families and communities.

Under this collaboration Nitco conducted its first programme at the Tonk COE in Rajasthan on 31st March, 2021 and 1st April, 2021 on "Mason Tiling". This two day "Training of the Trainers" programme was conducted to train senior Masons about Tiles, Tile Manufacturing Process, different type of Tiles and their specifications and the Tile laying process. This programme was attended by 24 masons. The sessions were a mix of classroom and practical training. At the end of the Training Programme, the Masons who had successfully completed the Training were awarded Certificates from Nitco making them Certified Trainers for conducting further Mason Tiling Training Programmes in future.

Nitco will be conducting more such programmes in Tonk as well as start similar sessions in Duttalur and Chindwara as well.

NITCO Talks – Webinars by Nitco

The pandemic situation brought the world to a halt. The lockdown meant that many had to pause their immediate business operations and revise long term strategies.

Every cloud has a silver lining and at NITCO, this break brought us an opportunity to connect with the world's esteemed architects, interior designers and real estate tycoons. It was a welcome move and we were overwhelmed with the response we received from our partners and customers globally.

That's how #NITCOTalks - Webinars by NITCO was born and every weekend saw an insightful exchange of ideas, stories, experiences, challenges and solutions. To date, we have successfully engaged with over 120 designers, with over 8,000 unique participants and a reach of over 0.2 million on Facebook. We also collaborated with the Society of Nepalese Architects (SONA) for a webinar that involved Nepal's esteemed architects Arun Dev Pant, Damodar Acharya, Dr. Jharna Joshi, Suyog Kayastha, Arjun Basnet. This webinar was also featured on Nepal's popular mediachannel,News24.

NITCO Forayed Into the USA Tile Market

NITCO has been the only and the first Indian tile brand to carve an entry as the preferred tile brand supplier for one of the large counter retail entities in the US. It has secured the largest export business order on the strength of its design and quality, garnering an entry across more than 1000 stores in the US.

The customer is a US based large-counter retail entity specialising in sales of hardware, home improvement and seasonal interior decoration products catering mainly to the home improvement professionals, construction and Do-It-Yourself (DIY) concept clients. It operates retail chain stores across US and Canada and is one amongst the top five in the Home improvement Retail industry in the US and the world.

Accomplishment of this export order reaffirms NITCO's strength in creative design, innovation and as a trendsetter brand. Our teams visited Italian quarries to procure natural stones and created designs, scanning from the right colour/type of stones that led to the success of the order. This will enable us to establish a strong presence in the US market and tap other customers in the region.

Initiatives undertaken in Marble Division:

During the financial year 2020-21, company managed to introduce international standard zero breakage bundle packing which helped the company in reducing its breakages during the the transit of goods. There was major reduction in RFCs (Return from Customer) i.e. 3% of sales value compared to 11% of last year. Company successfully completed in fulfilling its order for some of its prestigious projects like corporate office of Larsen & Toubro (L & T) and Platinum Tower (Premium residential tower by Godrej Constructions). New client named Blackstone & Brookfield was added to our portfolio.

Initiatives undertaken in Tiles Division:

Company's main focus during the year was on developing and maintaining relationships with all its stakeholders like Project Development team, Design and Accounts team of major KAs in addition to the procurement team. Company successfully managed to appoint many new dealers in this unrepresented markets.

Cost Reduction Programme:

With the onset of pandemic company carried out the cost reduction exercise across various departments for reduction in Sales Related Expenses, Marketing Expenses, Finance Related Expenses and other Overhead Expenses. This helped the company in bringing down its cost to a major extent.

Rise in Export Business:

Our export business continues to rise, particularly due to increased Brand awareness & Design developments which are in line with current trends. There has been an export revenue growth of 41% YOY, major contributors being USA and Africa continent. The Company looks forward to further enhance its global presence and boost exports.

Coming together of Employees during Lockdown:

To emotionally support our employees in the unending lockdown situation, we kept engaging them with activities that helped them ease off work-from-home boredom. These campaigns helped the team stay connected despite being boundaries apart.

We also engaged with architects on initiatives like International Yoga Day, to foster relationships with and keep them connected to the brand.

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 to cover 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 31st March, 2021 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 31st March, 2021 and of the loss of the Company for the year ended 31st March, 2021;

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, JM Financial Asset Reconstruction Company Limited vide their letter dated 3rd August, 2020 had shown interest to appoint Mr. Rakesh Kashimpuria (DIN: 08816226) in place of Mr. Samir Chawla, as Nominee Director on the board of Nitco Limited.

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

Mr. Siddharth Kothari, Independent Director has ceased to be the director of the Company w.e.f. 14th July, 2021. The Board has placed on record its sincere appreciation for the valuable contribution made by Mr. Kothari during his association with the Company as Director of the Company.

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.

Pursuant to the provisions of Section 149 of the Act and the SEBI Listing Regulations, the Board appointed Mr. Manish Puri as an Additional Director (Non-Executive and Independent) of the Company for a period of five consecutive years with effect from 7th August, 2021 upto 6th August, 2026, subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

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

Following are the Key Managerial Personnels of the Company:

Sr. No.	Name of the person	Designation
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

$ Mr. Mahesh Shah ceased to be the Chief Executive Officer of the company w.e.f 3rd July, 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 a 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 a part of the Annual Report.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered into 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 34 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(3)(a) 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 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 31st March, 2021.

Auditors

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

Auditor's Report

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

Secretarial Audit

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s MMJB & Associates LLP, Practising Company Secretaries, to conduct Secretarial audit for F.Y. 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 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
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.	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. 2020-21.

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 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

Five 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 at the link: 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 Notes 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

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year 31st March, 2021 is uploaded on the website of the company and can be accessed at www.nitco.in

Director's Familiarisation Programme

Pursuant to the Company's Policy on Familiarization Programme for Independent Directors read together with Regulation 25(7) and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the SEBI Regulations"), the details of programmes organized by the Company during the FY 2020-21 are as under:

The Company through its Chairman & Managing Director/ Senior Managerial Personnel- Mentor(CEO) / CFO etc. had made presentations at the Board Meetings to the Independent Directors covering inter alia, aspects on business and performance updates of the Company, global business environment, business strategy and risks involved. The programmes were aimed to provide insights into the Company to enable the Independent Directors to take well informed timely decisions and contribute in the growth of the Company.

Number of programmes held during FY 2020-21:

Details of attendance of Independent Directors in familiarization programmes:

Name of Director	Category of Directorship	FY 2020-21	
		No. of Programs attended	No. of Hours (hh:mm)
Mr. S.P. Bolar	Independent Director	4	07:35
Mrs. Bharti Dhar	Independent Director	4	07:35
Mr. Siddharth Kothari	Independent Director	4	07:35
Mr. Vivek Grover	Nominee Director	4	07:35
Mr. Samir Chawla*	Nominee Director	2	03:55
Mr. Rakesh Kashimpuria *	Nominee Director	2	03:40

***Mr. Rakesh Kashimpuria replaced Mr. Samir Chawla w.e.f. 13th August, 2020.**

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- V**.

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 2nd 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 acknowledge with gratitude and wish to place on record, their deep appreciation for 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, 11th June, 2021

ANNEXURE - I

AOC-1 (Annual Perfoprmance of Subsdiaries)

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

Rs. in Lacs

Name of Subsidiary Company	Nitco Realties Pvt. Ltd.	Glamorous Properties Pvt. Ltd.	Opera Properties Pvt. Ltd.	Nitco IT Parks Pvt. Ltd.	Feel Better Housing Pvt Ltd	Maxwealth Properties Pvt Ltd	Nitco Aviation Pvt Ltd	Quick Solution Properties Pvt Ltd	Roaring-Lion Properties Pvt Ltd	Meghdoot Properties Pvt Ltd	Silver Sky Real Estate Pvt Ltd	Ferocity Property Pvt Ltd	Aileen Properties Pvt Ltd	Quick Innovation Lab Pvt Ltd
	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021
Paid up Capital	2.00	125.00	5.00	1.00	1.00	1.00	100.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Reserves	1.60	249.47	(0.65)	(50.96)	(1.75)	(1.14)	(0.37)	130.02	(111.42)	(1.11)	(1.15)	(0.24)	(0.34)	
Total Assets	6259.55	503.55	368.03	0.32	452.58	334.80	103.70	132.69	26.99	596.80	436.49	394.47	3.36	1.001
Total Liabilities	6255.95	129.08	363.68	50.28	453.32	334.92	4.06	1.66	137.41	596.91	436.63	393.71	2.69	-
Investments (except investment in subsidiary companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Turnover (Incl. other Income)	51.39	189.06	-	-	-	-	-	0.50	-	-	-	-	-	-
Profit before taxation	(690.75)	(3.30)	(0.06)	(50.03)	(0.07)	(0.14)	(0.04)	0.16	(111.04)	(0.09)	(0.13)	(0.04)	(0.03)	
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit after taxation	(690.75)	(3.30)	(0.06)	(50.03)	(0.07)	(0.14)	(0.04)	0.16	(111.04)	(0.09)	(0.13)	(0.04)	(0.03)	
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	75%	100%	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 31st March, 2021

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 31st March, 2021

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, 11th June, 2021

ANNEXURE III

MMJB & Associates LLP.
Company Secretaries
803-804, 8th Floor, Ecstasy, City of Joy,
JSD Road, Mulund (West),
Mumbai 400080 (T) 022-21678100

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2021

[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 31st March, 2021 (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 31st March, 2021 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 (Depositories and Participants) Regulations, 2018

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

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

  (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the Audit Period)

  (h) 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

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

  (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company 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.("Listing Regulations").

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, no law is specifically applicable to the Company.

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

1. 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 composition of the Board of Directors during the period under review was 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.

For MMJB & Associates LLP Company Secretaries
Bhavisha Jewani Designated Partner
FCS No: 8503
CP No. 9346
UDIN No: F008503C000448019
Peer Review No: L2020MH006700

Place: Mumbai
Date: 11th June, 2021

*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 Company Secretaries
Bhavisha Jewani Designated Partner
FCS No: 8503
CP No. 9346
UDIN No: F008503C000448019
Peer Review No: L2020MH006700

Place: Mumbai
Date: 11th June, 2021

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.

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 : NIL

C) Foreign exchange earnings and outgo:

1. Foreign Exchange earned : Rs. 4,661.28 lakhs
2. Foreign Exchange outgo : Rs. 444 lakhs

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Mumbai, 11th June, 2021

ANNEXURE V

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 2020-21, the percentage increase in remuneration of Chairman & Managing Director, Company Secretary, CEO and CFO during the financial year 2020-21:

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
4.	Mr. Ramesh Iyer	CFO	NA	NIL
5.	Mr. Puneet Motwani	Company Secretary	NA	NIL

$ Mr. Mahesh Shah ceased to be the Chief Executive Officer w.e.f. 3rd July, 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 2020-21	NIL
2	Total number of employees of the Company as on 31st March, 2021 (on Standalone basis)	524
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2020-21 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 2020-21 was NIL. 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 the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Mumbai, 11th June, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. But it could have been a lot worse. Although difficult to pin down precisely, IMF staff estimates suggest that the contraction could have been three times as large if not for extraordinary policy support. Much remains to be done to beat back the pandemic and avoid divergence in income per capita across economies and persistent increases in inequality within countries.

After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

We are now projecting a stronger recovery in 2021 and 2022 for the global economy compared to our previous forecast, with growth projected to be 6 percent in 2021 and 4.4 percent in 2022. Nonetheless, the outlook presents daunting challenges related to divergences in the speed of recovery both across and within countries and the potential for persistent economic damage from the crisis.

Multi-speed recoveries are under way in all regions and across income groups, linked to stark differences in the pace of vaccine rollout, the extent of economic policy support, and structural factors such as reliance on tourism. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023.

The divergent recovery paths are likely to create significantly wider gaps in living standards between developing countries and others, compared to pre-pandemic expectations. Cumulative per capita income losses over 2020–22, compared to pre-pandemic projections, are equivalent to 20 percent of 2019 per capita GDP in emerging markets and developing economies (excluding China), while in advanced economies the losses are expected to be relatively smaller, at 11 percent. This has reversed gains in poverty reduction, with an additional 95 million people expected to have entered the ranks of the extreme poor in 2020, and 80 million more undernourished than before.

(source: World Economic Outlook, April 2021)

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 robust democracy and strong partnerships.

India's real gross domestic product (GDP) at current prices stood at Rs. 195.86 lakh crore (US$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.India's foreign exchange reserves stood at US$ 582.04 billion, as of 12th March, 2021, according to data from RBI.

India recorded the real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

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

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

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on 1st February, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures.

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase by 34.5% at Rs. 5.5 lakh crore (US$ 75.81 billion) over FY21 (BE) to boost the economy.

(Source : Indian Brand Equity Foundation)

Indian Ceramic Tiles Industry

Post Covid-19, there will be paradigm shift in the way the world looks 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 FY 2020. India is being second largest tile producing and consuming market, India would 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 tiles to toughest porcelain tiles, small tiles to large format slab tiles, INDIA can cater to 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. Import of tiles by India from China will also be reduced and will be replaced by import from other Asian countries and 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 2020-21, your Company was able to achieve total revenue of Rs. 327 cr. The revenue decreased by 30% over last year mainly due to Covid-led pandemic. The Company is enjoying strong brand equity in the market. EBITDA loss was Rs. 39.5 crores in FY 2020-21. However, company has been reporting consistent positive operating EBIDTA (excluding provision against current assets and one-off items) for its tiles, marble & mosaic business since September 2020.

Finance costs

JMFARC has acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from Cut-Off date 28th 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 31st March, 2021.

Borrowings:

The total debt of the Company is as under:

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Long term borrowings	45,722.55	55,195.95
Current maturity shown under "Current Liabilities"	29,803.38	15,847.53
Total Debt	**75,525.93**	**71,043.48**

Working Capital

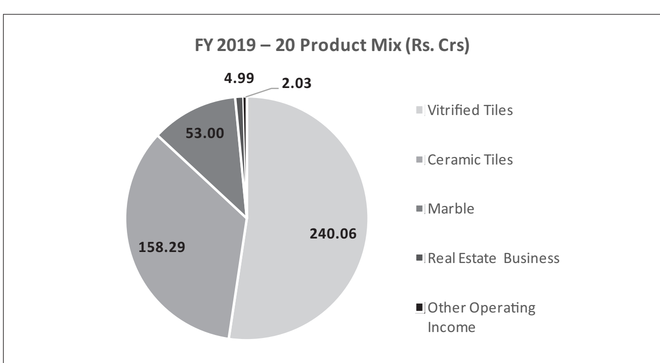
a) Inventory has reduced from Rs. 9,334.92 Lakhs in 2019-20 to Rs. 7,849.62 Lakhs in 2020-21;

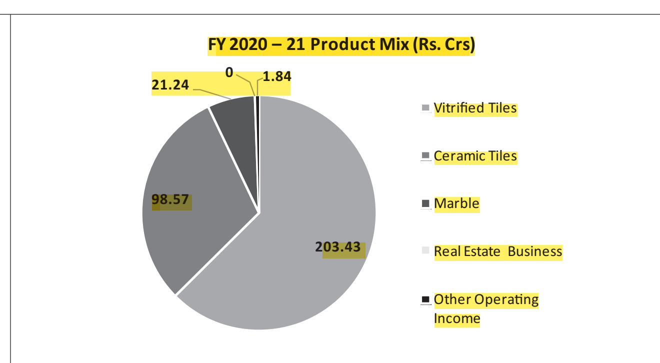
b) Inventory –Real Estate has remained same i.e. Rs. 15,000.00 Lakhs in 2019-20 and 2020-21;

c) Trade receivables have decreased from Rs. 14,482.08 Lakhs in 2019-20 to Rs. 9,915.25 Lakhs in 2020-21;

d) Trade payables have decreased from Rs. 14,593.58 Lakhs in 2019-20 to Rs. 12,577.86 Lakhs in 2020-21.

Product Wise Performance:





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.

Risk	Mitigation
Perception risk	
Inability to sustain historical growth rates could adversely impact brand perception.	Owing to a dynamic and sustainable business plan, continual innovation towards a prudent sales-mix and improving operational efficiencies, the Company will be able to better its sales in absolute terms.
Business slowdown risk	
Indian economy could create a widening chasm between budgeted and actual ground realities.	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.
Competition risk	
Increasing competition can have an impact on margins.	Competition from the unorganised sector is expected to decline with rising consolidation, effected by organised players partnering with unbranded players (with low-cost manufacturing expertise) as a part of their cost-efficient expansion strategy. Nitco has developed relationships with several low cost manufacturers for outsourcing its product requirements.
Technology or software obsolescence risk	
Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.	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.
Client attrition risk	
A substantial portion of the Company's total sales comes from retail clients and large key accounts. Hence, client attrition can impact both revenues and prospective growth.	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&T, Shapoorji Pallonji Group, among others.
Human resource risk	
Attrition of key executives and personnel could affect the Company's growth prospects.	Nitco has initiated various measures such as deploying strategic talent management system, training and integration of learning activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.
Dealer attrition risk	
Dealers represent the Company's face to customers. Reduction in the number of dealers could affect sales and negate brand image.	The Company has introduced a fast-moving range of tiles new product launches, which has revitalised its distribution network.

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 to cover 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.

Material Developments in Human Resources

The ability to attract, motivate and retain talent is critical to Nitco's continued success. The People Practices in the Company have significantly evolved over the last few years and the Company has effectively strengthened its position as a contemporary, open and safe place to work.

Progressive policies, continual investment in upgrading employee skills and empowering individuals to realise their potential have made Nitco's HR processes and outcomes an industry benchmark.

The Company has launched and revamped its HRMS tool. The new tool is employee friendly and easily accessible. HR processes such as Leave Management, Attendance, and Reimbursements have become much quicker. In the next phase, the Company plans to integrate Digital chatbot to enhance experience of employees.

The Company recognises and embraces the importance of a diverse workforce as a stepping-stone to success. Hiring more women in the organisation is one step in this direction. New policies have been put into place to make the workplace more women friendly. Policies like company paid private cab for women late working. Benefits like Cancer coverage specifically for women.

Employee count as on 31st March, 2021: Nitco has 524 employees.

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 31st March, 2021, 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 Directorships held in other Companies / Board committees by each member of the Board of Directors of the Company as on 31st March, 2021 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		Directorships in other Listed Entities & Category of Directorship
				Member	Chairman	
1	Vivek Talwar DIN: 00043180	Executive Director	15	1	-	B L Kashyap and Sons Limited – Independent Director
2	Mr. S. P. Bolar DIN: 07009701	Non- Executive and Independent Director	-	-	-	-
3	Ms. Bharti Dhar DIN: 00442471	Non- Executive and Independent Director	2	1	-	Multibase India Limited – Independent Director
4	Mr. Vivek Grover DIN: 00421980	Non- Executive and Nominee Director	-	-	-	-
5	Mr. Samir Chawla* DIN: 03499851	Non- Executive and Nominee Director	-	-	-	-
6	Mr. Rakesh Kashimpuria* DIN: 08816226	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 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

* JM Financial Asset Reconstruction Company Limited vide their letter dated 3rd August, 2020 had shown interest to appoint Mr. Rakesh Kashimpuria as their Nominee Director on board of Nitco Limited in place of Mr. Samir Chawla

(ii) Director's Profile

Mr. Vivek Talwar, son of Late Mr. Pran Nath Talwar and aged 63 years, is the Managing Director of your Company. He has a rich experience of over 39 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 69 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 30 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. Twenty 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 56 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 12 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. Rakesh Kashimpuria has been associated with JM Financial ARC for over 13 years. He is a Chartered Accountant and holds a MMS degree from Jamnalal Bajaj Institute of Management Studies. He has over 15 years of experience in distressed debt investments. He has previously worked with CARE Ratings, Deutsche Bank Group (responsible for portfolio investments in distressed debt across SE Asia).

Mr. Siddharth Kothari

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 21 years of work experience of which he has over 13 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. He ceased to be an Independent Director of the Company w.e.f. 14th July, 2021 due to expiry of his term.

Mr. Manish Puri

Mr. Manish Puri has more than 25 years of experience in the Rail, Ports & Containerization sector, with additional expertise in the areas of Warehousing & Distribution Management, Cold-Chain Operations, PPP Engagements, Consulting, Operations Planning, Management & Control. He began his career with the Government of India in 1989 as member of the Indian Railway Traffic Service. He then joined the private sector in 2003, and subsequently worked in senior management roles with international companies in Ports, Logistic Parks & Rail sector. Worked as an Entrepreneur by setting up a consulting practice (PiVOT Consultants) with a small team and worked as a Strategic Advisor & Consultant in logistics and infrastructure, advising large Indian conglomerates and the Government of India for various projects. Served on various expert committees, of ASSOCHAM, CII etc., and currently holds the position of President of the Association of Container Train Operators. Mr. Puri brings to the table, a wide range of operational experience in the areas of Rail, Ports, Terminals, Warehousing, and access to a vast network of logistics professionals and best practices in the business. After having worked for 6 years as the Managing Director of IILPL (IndiaLinx), a rail logistics company, which is a subsidiary of APL Logistics (part of the KWE group), have now returned to an independent consulting and advisory role.

* None of the Directors are related to each other.

(iii) Details of Shareholding of Directors as on 31st March, 2021

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	5	5	Yes
2	Mr. S.P. Bolar	5	5	Yes
3	Mrs. Bharti Dhar	5	5	Yes
4	Mr. Vivek Grover	5	5	No
5	Mr. Siddharth Kothari	5	5	Yes
6	Mr. Samir Chawla*	5	2	No
7	Mr. Rakesh Kashimpuria*	5	3	No

* JM Financial Asset Reconstruction Company Limited vide their letter dated 3rd August, 2020 had shown interest to appoint Mr. Rakesh Kashimpuria as their Nominee Director on board of Nitco Limited in place of Mr. Samir Chawla.

Meetings of the Board of Directors were held on 26th June, 2020, 13th August, 2020, 29th August, 2020, 06th November, 2020 and 11th February, 2021.

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

(v) Independent Directors

The term "Independent Director" has been defined under Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) 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)(b) 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. The details of familiarization programmes imparted to independent directors is available on the Company's website at https://www.nitco.in/corporate/investors/announcements

One meeting of Independent Director was held during the year on 11th February, 2021.

(vi) Evaluation Criteria

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

(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:

Sr. No.	Skill, Expertise and Competencies	Brief Particulars	Names of Directors who posses these skills
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. Rakesh Kashimpuria f) Ms. Bharti Dhar
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.	
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 is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations and presently comprises 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	4
2	Mr. Vivek Talwar- Managing Director	4	3
3	Mr. S.P. Bolar - Non-executive and Independent Director	4	4
4	Ms. Bharti Dhar - Non-executive and Independent Director	4	4

Meetings of the Audit Committee of the Board of Directors were held on 26th June, 2020, 13th August, 2020, 06th November, 2020 and 11th February, 2021.

Mentor, 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 31st March, 2021 is as follows:

Composition, Meetings and Attendance

Sr. No.	Name of the Member	No. of meetings during the year	No. of meetings attended
1	Mr. Sharath Bolar – Chairman - Non-executive and Independent Director	1	1
2	Mr. Vivek Talwar - Managing Director	1	0
3	Ms. Bharti Dhar - Non-executive and Independent Director	1	1

Meeting of the Stakeholders Relationship Committee of the Board of Directors was held on 11th February, 2021 . 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 31st March, 2021.

Details of complaints received and redressed during the FY 2020-21 are as follows:

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

The Chief Financial Officer is the permanent invitee at the Stakeholders Relationship Committee meetings.

Mr. Puneet Motwani, Company Secretary is the Compliance Officer.

(iii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and it comprises of three Non-Executive Directors.

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

Composition, Meetings and Attendance

Sr. No.	Name of the Member	No. of meetings during the year	No. of meetings attended
1	Mr. Sharath Bolar – Chairman - Non-executive and Independent Director	2	2
2	Mr. Siddharth Kothari - Non-executive and Independent Director	2	2
3	Ms. Bharti Dhar - Non-executive and Independent Director	2	2

Meetings of the Nomination and Remuneration Committee of the Board of Directors were held on 26th June, 2020 and 13th August, 2020.

Performance Evaluation Criteria for Independent Directors:

The performance 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 FY 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:

Sr. No.	Name of the Member
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 31st March, 2021 are as under:

(Rs. in lacs)

Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
Mr. Vivek Talwar*	Managing Director	-	-	-	-	-
Mr. Siddharth Kothari	Independent Director	-	-	-	2.45	**2.45**
Mr. S.P. Bolar	Independent Director	-	-	-	2.50	**2.50**
Mrs. Bharti Dhar	Independent Director	-	-	-	2.50	**2.50**

(Rs. in lacs)

Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
Mr. Vivek Grover@	Nominee Director	-	-	-	1.50	**1.50**
Mr. Samir Chawla@	Nominee Director	-	-	-	0.60	**0.60**
Mr. Rakesh Kashimpuria@	Nominee Director	-	-	-	0.90	**0.90**

* Mr. Vivek Talwar, the Managing Director was not paid any salary during the F.Y. 2020-21.

@ JM Financial Asset Reconstruction Company Limited vide their letter dated 3rd August, 2020 had shown interest to appoint Mr. Rakesh Kashimpuria as their Nominee Director on board of Nitco Limited in place of Mr. Samir Chawla. Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover, Mr. Samir Chawla and Mr. Rakesh Kashimpuria were paid to JM Financial Asset Reconstruction Company Limited (JMFARC). None of the Directors hold any convertible instruments.

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

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

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

The Board has approved a policy for determining 'material' subsidiaries which is available on the Company's website at https://www.nitco.in/corporate/investors/nitco-policy.

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. 34 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.

(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 Polices during the year under review.

(vi) Whistle Blower Policy

The Board of Directors of the Company have 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, are 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 of Rs. 3 lakhs) during the financial year 2020-21.

None of the subsidiary companies have availed any services from the statutory auditors of the Company during the financial year 2020-21.

(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 preferential allotment of shares/warrants and an entire amount has been utilized by the company 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 15th 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 2020-21 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.

(xiv) Disclosure related to discretionary requirements:

Apart from complying with the mandatory requirements prescribed by the SEBI Listing Regulations, the Company has complied with the following non-mandatory requirements:

- The Company's Financial Statements for the year ended 31st March, 2021 are with unmodified audit opinion.
- The Internal Auditor reports directly to the Audit Committee in all matters relating to Internal Audit.

6. MEANS OF COMMUNICATION

- The quarterly and half-yearly results of the Company were published within 48 hours in one English language i.e. Financial Express and in one Marathi newspaper i.e. Mumbai Lakshadeep with wide circulation. The results, press releases and the shareholding pattern of the Company are displayed on the Company's website at **www.nitco.in** from time to time.

- **Company's website** - The Company's corporate website **www.nitco.in** depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section "Investors" where shareholder related information disseminated to the Stock Exchange is available such as financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, presentations made by the Company on the quarterly financial results.

  Information available also includes the policies framed by the Company under various laws and regulations, contact information of the Nodal Officer and Designated Officials responsible for assisting and handling investor grievances, email address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors, and such other information as may be required to be uploaded on the website of the Company in compliance / accordance with Regulation 46 of the SEBI Listing Regulations as amended from time to time. The achievements are also posted on the Company's website. All other press coverage and news release are communicated by the Company through its corporate website.

  The means of communication between the Company and the shareholders are transparent and investor friendly and the Company takes all possible endeavors to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

- **Stock Exchanges:** 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 listed 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 listed 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 redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. SHAREHOLDER'S INFORMATION

(i) The Annual General Meeting is scheduled to be held on 24th September, 2021 through Video Conferencing.

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

(iii) General Body Meeting:

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

Financial Year	Date	Day	Time	Location	Whether passed any Special Resolution
2019-20	25th September, 2020	Friday	11:00 a.m	Through Video Conferencing	No
2018-19	19th September, 2019	Thursday	11:00 a.m	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, , Kala Ghoda, Mumbai – 400 001	Yes#
2017-18	18th September, 2018	Tuesday	11:00 a.m	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, , Kala Ghoda, Mumbai – 400 001	No

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

(iv) Date of book closure: 18th September, 2021 to 24th September, 2021 (Both Days Inclusive)

(v) Dividend Payment Date: Not Applicable.

(vi) Listing on stock exchanges: The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company has paid listing fees to the stock exchanges for the financial year 2021-22.

A) National Stock Exchange of India Limited - Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 05

B) BSE Limited- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

(vii) Stock code/symbol: BSE - 532722

NSE - NITCO

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

(viii) 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

(ix) Share transfer system

The Stakeholders' Relationship Committee meets as an when necessary.

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from April 01, 2019. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer and elimination of any possibility of loss of documents and bad deliveries.

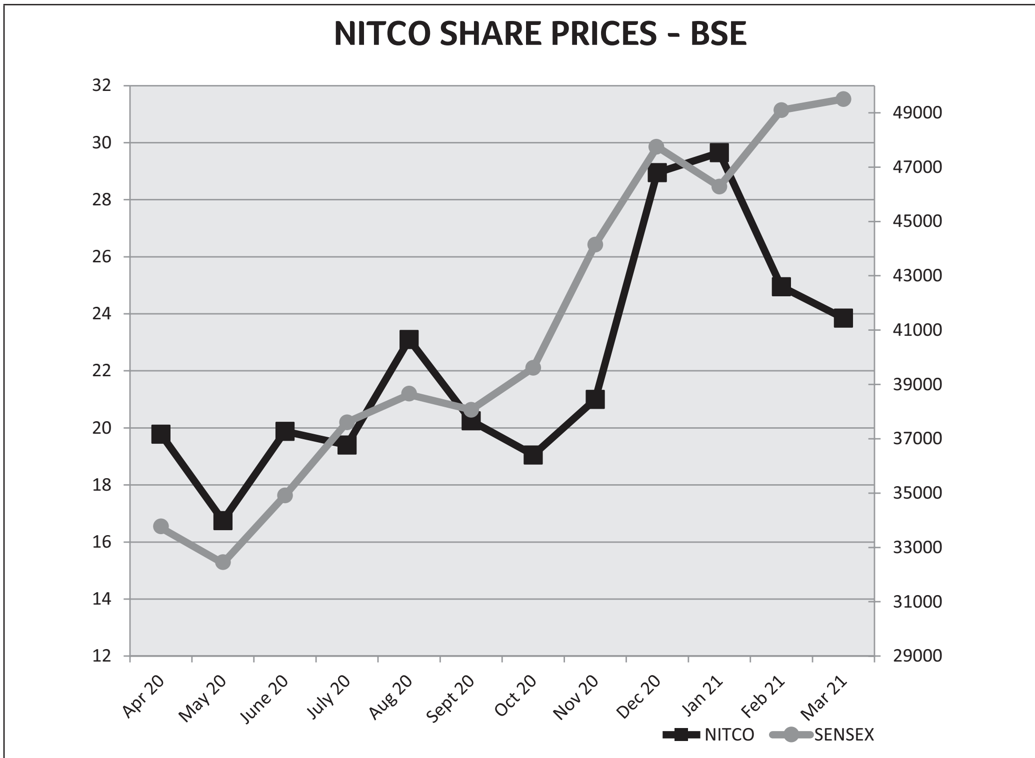
The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. These certificates have been submitted to the Stock Exchanges. As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

(x) Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE858F01012.

(xi) Market Price Data at BSE and NSE :

Month	STOCK EXCHANGE					
	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (Rs.)	Low (Rs.)	Close	High (Rs.)	Low (Rs.)	Close
Apr 20	19.78	13.00	33717.62	19.30	12.90	9859.90
May 20	16.75	14.30	32424.10	16.90	14.20	9580.30
June 20	19.88	14.75	34915.80	19.95	14.60	10302.10
July 20	19.40	16.05	37606.89	19.40	16.00	11073.45
Aug 20	23.10	15.75	38628.29	21.75	15.70	11387.50
Sept 20	20.25	16.50	38067.93	20.30	16.45	11247.55
Oct 20	19.05	16.30	39614.07	19.20	16.50	11642.40
Nov 20	21.00	16.20	44149.72	20.90	15.60	12968.95
Dec 20	28.95	19.60	47751.33	28.90	19.65	13981.75
Jan 21	29.65	22.20	46285.77	29.30	22.20	13634.60
Feb 21	24.95	22.00	49099.99	25.10	22.25	14529.15
Mar 21	23.85	18.90	49509.15	23.80	18.90	14690.70


NITCO SHARE PRICES - BSE
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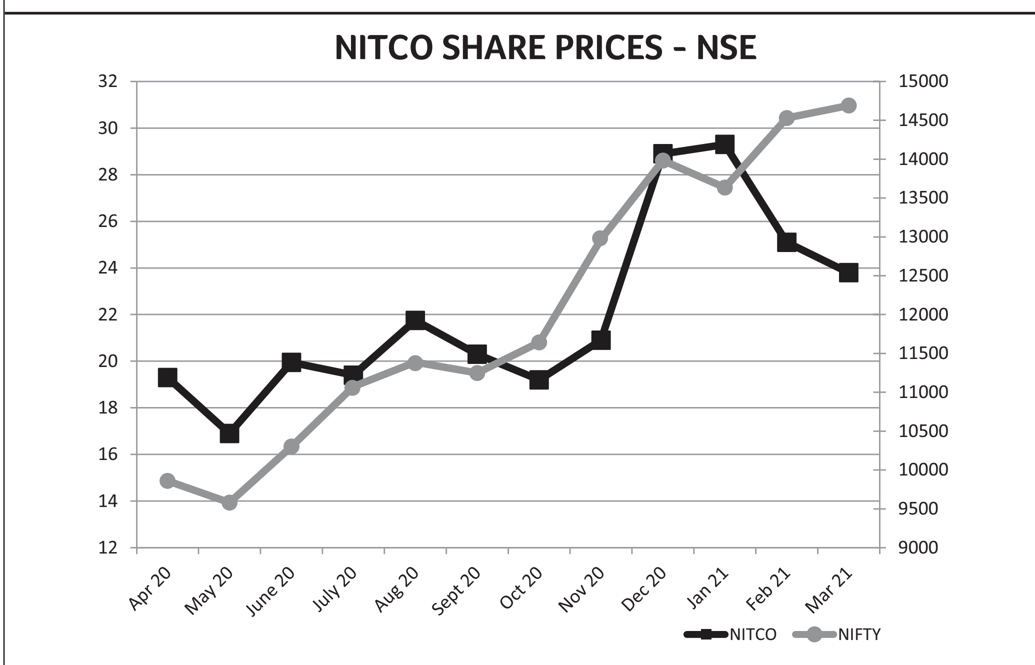
NITCO SHARE PRICES - NSE
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June 20
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Mar 21
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Shareholding pattern as on 31st March, 2021:

Category		No. of shares held	Percentage of total Shareholding
(A)	**Promoter's holding**		
	Promoters & Promoters' group	38097176	53.02
	Sub-total	**38097176**	**53.02**
(B)	**Public shareholding**		
	Institutions	17159617	23.88
	Central/State Government	2000	0.00
	Non-Institutions	16600162	23.10
	Sub-total	33761779	46.98
	Grand Total (A + B)	**71858955**	**100.00**

(xii) Distribution of shareholding as on 31st March, 2021:

No. of equity shares	No. of share holders	Percentage of Share holders	Share Amount (INR)	Percentage of Share holding
1 - 5000	15733	81.99	21447860	2.99
5001 - 10000	1706	8.89	14227210	1.98
10001 - 20000	860	4.48	13312820	1.85
20001 - 30000	295	1.53	7593350	1.05
30001 - 40000	149	0.78	5411780	0.75
40001 - 50000	144	0.75	6872520	0.96
50001 - 100000	132	0.69	9838640	1.37
100001 and above	171	0.89	639885370	89.05
Total	**19190**	**100.00**	**718589550**	**100**

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

(xiii) Transfer of Unclaimed / Unpaid Dividend:

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

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

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

Securities	As on 1st April, 2020		Shareholders who approached the Registrar and Shares transferred in their favour during the year		Balance as on March 31, 2021	
	No. of records	No. of shares	No. of Records	No. of shares	No. of records	No. of Shares
Equity Shares	01	785	0	0	01	785

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

(xv) Nomination facility:

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

(xvi) Consolidation of folios and avoidance of multiple mailing

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

(xvii) National Electronic Clearing Services (NECS) Mandate

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

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

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

(xix) Plant Locations

The Marble division of the company is located at Silvassa (Dadra and Nagar Haveli).

(xx) Compliance Disclosure:

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations as applicable including relaxations granted by the Securities and Exchange Board of India ("SEBI") in the wake of COVID-19 pandemic, with regards to Corporate Governance.

For and on behalf of the Board

VIVEK TALWAR
Managing Director

Date: 11th June, 2021
Place: Mumbai

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 31st March, 2021.

For Nitco Limited

Vivek Talwar
Chairman & Managing Director

Place: Mumbai
Date: 11th June, 2021

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 31st March, 2021, 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

Place: Mumbai
Date: 11th June, 2021

MD/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 31st March, 2021 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

Place: Mumbai
Date: 11th June, 2021

INDEPENDENT AUDITORS REPORT

To the members of NITCO LTD

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 31st March 2021, 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 31st March, 2021, 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.

Material Uncertainty Related to Going Concern

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. There is a default in repayment of term loan from JMFARC of Rs 183.50 crore. JMFARC is also having a right to revoke the waiver of Rs 546 cr already given in case of default.

   ii. Company is continuously making operating cash losses. During the current financial year ended 31st March, 2021 company incurred a net loss of Rs 121.36 crore thereby resulting in negative net worth of Rs 69.27 crore.

   iii. Note No 45 to 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.

2 Lock out was declared in one of the main Tile Manufacturing unit of Company situated in Alibag in January 2020.

   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 31st March, 2021. 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 and loan given to subsidiaries (as described in note 5 and 12 of the standalone Ind AS financial statements)	
The carrying values of the Company's investments in subsidiaries are assessed annually by management for potential indicators of impairment. For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable 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. Valuation of underlying assets especially land with subsidiaries were done from Independent Valuer.	Our audit procedures included, among others the following: We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment; We have studied available financial information including considerations of the economic conditions and audited financial statements of the subsidiaries; We have evaluated the current approximate market price of the land, real estate properties where the subsidiaries have invested for computing the recoverable amount; We have checked the Valuation report of underlying asset done by Independent Valuer; We read and assessed the relevant disclosures made within the standalone Ind AS financial statements.

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 Standalone Ind AS 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 31st March, 2021 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 A**" 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 Balance Sheet, the 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 B**" to this report;
   (g) In our opinion, the managerial remuneration for the year ended 31st March, 2021 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 38(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
UDIN: 21100788AAAAHL9336

Place of Signature: Mumbai
Date: 11th June 2021

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 31st March, 2021, we report the following:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for one immoveable property which amounts to gross block of Rs.278.38 Lakh and net block of Rs.256 Lakh whose title deed is not held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone IND AS financial statements, the lease agreements are in the name of the Company.

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

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

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

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

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

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

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

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

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

Name of the Statute	Nature of the Dues	Total Rs in lakhs	Period	Forum where dispute is pending
Customs	Redumption Fine	300.00	Various periods	CESTAT
GST	Various GST penalty for 2019-20 & 2020-21	18.83	Various periods	Additional commissioner GSTT
Service Tax	Input Tax Credit	2,615.51	Various periods	CESTAT
Service Tax		291.10	Various periods	CESTAT- Ahmedabad

Name of the Statute	Nature of the Dues	Total Rs in lakhs	Period	Forum where dispute is pending
VAT/ Central Sales Tax	Input Tax Credit / "C" forms	16.89	Various periods	Addl. Com.-Grade-2
VAT/ Central Sales Tax		1.72	Various periods	DC - Appeal
VAT/ Central Sales Tax		237.21	Various periods	DCCT
VAT/ Central Sales Tax		28.17	Various periods	deputy commissioner of sales tax
VAT/ Central Sales Tax		0.58	2014-15	JCCT- Appeal -1
VAT/ Central Sales Tax		714.72	Various periods	Jt. Comm of Sales Tax Appeal
VAT/ Central Sales Tax		13.21	2009-10	KVAT TRIBUNAL
VAT/ Central Sales Tax		10.66	Various periods	Remanded to AO
VAT/ Central Sales Tax		6.69		Sr. Joint Commissioner- Revision Board
VAT/ Central Sales Tax		332.88	Various periods	The Mumbai Sales Tax Tribunal
VAT/ Central Sales Tax		597.04	Various periods	Tribunal
VAT/ Central Sales Tax		377.23	Various periods	Various Departments

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.1,884.26 Lakh (period of default- 73 months), to a bank was Rs. 86.20 Lakh (Period of default – 40 months) and to ARC Rs. 18,350.61 Lakh (Period of default – 12 months).

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

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

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

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

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

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

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

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

Kishore Rane
Partner
M.No : 100788

Place : Mumbai
Date : 11th June 2021

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 standalone financial statements of NITCO Limited (the 'Company') as at and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 Company, 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 Company, has, 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 31st March 2021, based on the internal control with reference to financial statements criteria established by the Company, 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 : 11th June 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	39,003.26	41,687.37
Capital work-in-progress		310.76	403.34
Right-of-use Assets	3A	208.66	-
Intangible assets	4	-	9.67
Financial Assets			
Investments	5	694.59	694.59
Other Financial Assets	6	3,404.93	3,399.76
Other non-current assets	7	1,501.48	1,882.38
		45,123.68	**48,077.11**
Current assets			
Inventories	8	7,849.62	9,334.92
Inventories – Real Estate	9	15,000.00	15,000.00
Financial assets			
Trade receivables	10	9,915.25	14,482.08
Cash and cash equivalents	11	1,187.62	823.82
Loans	12	5,930.65	6,090.00
Other financial assets	13	7.01	64.98
Other current assets	14	4,292.92	4,618.61
		44,183.07	**50,414.41**
Total Assets		**89,306.75**	**98,491.52**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	7,185.90	7,185.90
Other equity	16	(14,112.93)	(1,654.84)
		(6,927.03)	**5,531.06**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17	45,722.55	55,195.95
Lease Liabilities	18	69.88	-
Provisions	19	215.33	186.11
		46,007.76	**55,382.06**
Current liabilities			
Financial liabilities			
Trade payables	20	12,577.86	14,593.58
Lease Liabilities	18	162.37	-
Other financial liabilities	21	31,642.67	17,391.10
Other current liabilities	22	5,503.57	5,254.83
Provisions	23	339.55	338.89
		50,226.02	**37,578.40**
Total Equity and Liabilities		**89,306.75**	**98,491.52**

The above Balance Sheet should be read in conjunction with the accompanying notes

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: 11th June, 2021

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue From Operations	**24**	32,507.75	45,837.46
Other Income	**25**	259.67	838.94
Total Income		**32,767.42**	**46,676.40**
EXPENSES			
Cost of materials consumed	**26**	2,173.26	3,784.40
Purchase of stock-in-trade		22,204.07	27,482.05
Changes in inventories of finished goods, stock in trade and work-in-progress	**27**	700.97	3,533.31
Employee benefits expense	**28**	5,097.08	7,913.65
Finance costs	**29**	5,362.07	2,321.30
Depreciation and amortisation expense	**30**	3,074.97	3,054.03
Other expenses	**31**	6,291.08	7,837.34
Total Expenses		**44,903.50**	**55,926.08**
Profit /(Loss) before tax before exceptional items		**(12,136.08)**	**(9,249.68)**
Exceptional items - gain/(loss)		-	3,212.92
Profit /(Loss) before tax after exceptional items		**(12,136.08)**	**(6,036.76)**
Tax expense:			
Current Tax (earlier years)		376.51	82.35
Deferred Tax			
Profit /(Loss) for the year		**(12,512.59)**	**(6,119.11)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans	**32**	54.50	(14.25)
Income tax effect on such items			
Total other comprehensive income for the year, net of tax		54.50	(14.25)
Total comprehensive income/(Loss) for the year, net of tax		**(12,458.09)**	**(6,133.36)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	**33**	(17.34)	(8.54)
(2) Diluted		(17.34)	(8.54)

The above Statement of Profit & Loss should be read in conjunction with the accompanying notes

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

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Membership No.: 100788

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Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity share capital

(Rs. in Lakh)

Particulars	Amount
As at 1st April, 2020	7,185.90
Changes during the year	-
As at 31st March, 2021	**7,185.90**

B. Other equity

(Rs. in Lakh)

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)	
As at 1st April, 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,898.30)**	**(35.46)**	**(1,654.84)**
Net income / (loss) for the year	-	-	-	-	(12,512.59)	-	**(12,512.59)**
Other comprehensive income	-	-	-	-	-	54.50	**54.50**
As at 31st March, 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,410.89)**	**19.04**	**(14,112.93)**
As at 1st April, 2019	**125.68**	**42,591.33**	**965.00**	**3,846.91**	**(44,717.98)**	**(21.21)**	**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	-	-	-	-		**1,750.00**
Adjustment towards fair valuation					(61.21)		**(61.21)**
As at 31st March, 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,898.30)**	**(35.46)**	**(1,654.84)**

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: 11th June, 2021

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

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(DIN: 07009701)

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Company Secretary
(ACS No: 38530)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

		Year ended March 31, 2021		Year ended March 31, 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax & exceptional items		(12,136.08)		(9,249.68)
	Adjusted for :				
	Depreciation & amortisation expense	3,074.97		3,054.03	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(18.91)		(1.50)	
	Finance costs	5,362.07		2,321.30	
	Provisions against current assets	2,440.81	10,858.94	240.00	5,613.83
	Operating Profit before Working Capital Changes		(1,277.14)		(3,635.85)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	943.33		2,401.65	
	(Increase)/decrease in trade receivables	2,964.13		3,774.51	
	(Increase)/decrease in other receivables	157.93		4,618.14	
	Increase/(decrease) in trade and other payables	(1,683.58)		(6,120.16)	
	Increase/(decrease) in provisions	0.66	2,382.46	(1.77)	4,672.37
	Cash Generated from Operations		1,105.32		1,036.52
	Taxes paid (net of refunds)		0.00		1,257.66
	Net Cash generated from Operations		**1,105.32**		**2,294.18**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(129.67)		(390.04)	
	Net Cash flow (used in) Investing Activities		**(129.67)**		**(390.04)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	(284.89)		(3,093.75)	
	Advance against sale of subsidiary	279.19		-	
	Proceeds from Subsidiary	154.00		1,115.39	
	Payment of lease liability	(149.70)		-	
	Finance costs (net)	(610.45)		(518.94)	
	Net Cash flow (used in) Financing Activities		**(611.85)**		**(2,497.30)**
	Net increase in Cash and Cash Equivalents (A+B+C)		**363.80**		**(593.16)**
	Cash and Cash Equivalents at the beginning of the year		823.82		1,416.98
	Cash and Cash Equivalents at the end of the year		**1,187.62**		**823.82**
	Components of cash and cash equivalents at the end of the year				
	Cash on hand		4.47		3.57
	Balance in current account and deposits with banks		1,183.15		820.25
	Cash and Cash Equivalents at the end of the year		**1,187.62**		**823.82**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2020	Cash Flows	Interest Accrued /Writeback	As at March 31, 2021
Redeemable Non-Convertible Preference Shares	15,000.00			**15,000.00**
Redeemable Non-convertible Debentures	5,000.00			**5,000.00**
Long-term borrowings including current maturities of long-term debts	50,977.40	747.88	5,265.33	**55,494.85**
Lease liabilities (including current maturities of finance lease obligations)	66.08	35.00		**31.08**
Total liabilities from financing activities	**71,043.48**	**782.88**	**5,265.33**	**75,525.93**

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Kishore Rane
Partner
Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

1.1 Basis of preparation and compliance with Ind AS

a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) 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:

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 realization 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 recognized in the period in which the results are known.

1.2 Significant accounting policies

a. Property, Plant and Equipment (PPE)

PPE is recognized 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 capitalized 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:

Q 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 recognized 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 recognized 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 recognizes 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 recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized 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 straight-line 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 recognized as expense on a straight-line basis over the lease term.

d. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence if any. Cost is determined on a moving weighted average basis. The net realizable 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 recognized 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 recognized 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 recognized 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 recognized in OCI or statement of profit or loss are also recognized 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 amortized cost:**

  A financial asset is subsequently measured at amortized 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. De-recognition

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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(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 amortized 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. De-recognition

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 recognized 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 recognized as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

iii. **Post-employment benefit plan**

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

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

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

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

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

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

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 recognized 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 recognized 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 utilized. 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 recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 capitalized/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 recognized 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. Earnings per share

In determining the earnings per share, the Company considers the net profit/(loss) after tax and post-tax effect of any extraordinary/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, unrealized 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 31st March, 2021. 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 condition.

r. Investment in Subsidiaries

New Vardhman Vitrified Pvt. Ltd. (NVVPL) was subsidiary of NITCO limited only till 10.12.2020 with 51% holding of ownership interest. However, on this date, 2% share transfer has happened and present holding is 49% only and as a result NVVPL ceased to be subsidiary with effect from this date. Though we have received full consideration, as at the balance sheet date, share transfer to the extent of 49% has not been affected pending NOC from some of the lenders.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

s. Contract with GAIL (India) Limited

The Company as a buyer entered into Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of above agreement, it's an obligation on company to pay for the quantity not taken / consumed as per Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if lockout continues for a period of at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performance its obligations under this agreement, except those specifically provided herein. The Company has received waiver letter for the period ending December 2020 exempting Take or Pay claim. Accordingly based on the provisions of Force Majeure clause and waiver letter, the Company does not expect any cash outflow.

3. Application of Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements. Standards issued but not effectiveMinistry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1st April, 2020.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively.

b. Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. 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:

Particulars Useful lives

Plant and machinery 7, 10 and 18 years

Fit-out and other assets at sales outlets 5 years

Roads 30 and 60 years

c. Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower. The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

d. De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

e. Intangible Assets

Measurement and recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period. Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

De-recognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

f. Research and development costs

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment utilized for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

h. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

5. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

6. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

7. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3. Property, Plant and Equipment

Fixed Asset Schedule for the Year ending 31st March, 2021

(Rs In Lakh)

Particulars	Freehold Land	Leasehold Land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Total Assets
Cost										
As at 1st April, 2019	**6,003.57**	**145.66**	**19,861.73**	**1,148.65**	**55,474.17**	**1,047.23**	**2,717.72**	**3,680.54**	**781.82**	**90,861.09**
Additions	-	-	70.09	47.22	227.41	43.78	98.97	-	1.68	**489.15**
Disposals	-	-	-	39.73	2.94	-	2.32	-	-	**44.99**
As at 31st March, 2020	**6,003.57**	**145.66**	**19,931.82**	**1,156.14**	**55,698.64**	**1,091.01**	**2,814.37**	**3,680.54**	**783.50**	**91,305.25**
Additions	-	132.72	7.03	12.60	18.07	15.67	52.22	-	0.59	**238.90**
Disposals	-	-	-	17.10	10.50	13.18	29.90	-	120.66	**191.34**
As at 31st March, 2021	**6,003.57**	**278.38**	**19,938.85**	**1,151.64**	**55,706.21**	**1,093.50**	**2,836.69**	**3,680.54**	**663.43**	**91,352.81**
Depreciation										
As at 1st April, 2019	**-**	**15.04**	**9,611.67**	**1,047.83**	**29,671.36**	**986.42**	**2,277.16**	**2,343.79**	**658.47**	**46,611.74**
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**
As at 31st March, 2020	**-**	**18.05**	**10,230.52**	**1,056.20**	**31,748.98**	**1,009.56**	**2,353.68**	**2,495.15**	**705.74**	**49,617.88**
Depreciation charge for the year	-	4.33	603.02	32.94	2,010.63	24.34	65.32	151.36	23.66	**2,915.60**
Disposals	-	-	-	17.11	9.98	13.18	26.26	-	117.40	**183.93**
As at 31st March, 2021	**-**	**22.38**	**10,833.54**	**1,072.03**	**33,749.63**	**1,020.72**	**2,392.74**	**2,646.51**	**612.00**	**52,349.55**
Net Book Value:										
As at 31st March, 2021	**6,003.57**	**256.00**	**9,105.31**	**79.61**	**21,956.58**	**72.78**	**443.95**	**1,034.03**	**51.43**	**39,003.26**
As at 31st March, 2020	**6,003.57**	**127.61**	**9,701.30**	**99.94**	**23,949.66**	**81.45**	**460.69**	**1,185.39**	**77.76**	**41,687.37**

Notes:

1. Property, plant and equipment pledged as security, refer to note 17 .1 for information on property, plant and equipment pledged as security by the company
2. Lease hold land of Rs. 132.72 lacs capitalised during the year pertains to expenses incurred on lease hold land situated at Nitco Limited - Business Park, Wagle Industrial Estate, Road No.16, Thane - 400604

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3A. Leases

I As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2021.

(b) Right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet

(c) Practical expedients applied :

Company has used the practical expedients permitted by the standard:

* applying a single discount rate to a portfolio of leases with reasonably similar characteristics
* accounting for operating leases with a remaining lease term of less than 12 months or with minimal rent payments as short-term leases
* In case of Leases which are having no lock in period or lease are cancellable with short notice by either party or lessee are not treated as lease for the purpose of IND AS 116.

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% with maturity between 2021-25.

(e) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	2	1 to 5 years
Office	1	1 to 7 years
Showroom	2	1 to 5 years

(f) (i) Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

(Rs. In Lakhs)

	Right-of-use assets
Balance as at 1st April, 2020	-
Reclassification from Property, Plant and Equipment	-
Add: Additions	346.32
Less: Depreciation charged on the right-of-use assets	137.66
Balance as at 31st March, 2021	**208.66**

(g) Lease payments not recognised as lease liabilities:

(Rs. In Lakhs)

	Year ended March 31, 2021
Expenses relating to short term leases (included in other expenses)	34.38
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	183.32
Total	**217.70**

(h) The total cash outflow for leases for the year ended 31st March, 2021 was Rs 150.29 lakhs

(i) Future minimum lease payments as on 31st March, 2021 are as follows:

(Rs. In Lakhs)

As a Lessor	As on March 31, 2021
Within 1 year	162.36
1 - 2 years	57.41
2 - 3 years	27.60
3 - 4 years	9.20

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

II As a Lessor

(Rs. In Lakhs)

As a Lessor	As on March 31, 2021
a) Amounts recognized in statement of profit and loss	19.32
Operating Lease Income	**19.32**

4. Intangible assets (Computer Software)

(Rs. In Lakhs)

	Amount
Cost	
As at 1st April, 2019	429.16
Additions	4.60
Disposals	-
As at 31st March, 2020	**433.76**
Additions	-
Disposals	-
As at 31st March, 2021	**433.76**
Amortisation	
As at 1st April, 2019	418.44
Amortisation charge for the year	5.65
Disposals	-
As at 31st March, 2020	**424.09**
Amortisation charge for the year	9.67
Disposals	-
As at 31st March, 2021	**433.76**
Net book value :	
As at 31st March, 2021	-
As at 31st March, 2020	9.67

5. Investments

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
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	1,561.35
Total	**694.59**	**694.59**
(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	478.78
Total	**-**	**-**
Aggregate value of unquoted investments	**694.59**	**694.59**

1) As on 31st 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

6. Other financial assets

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with Banks - Held as Margin Money	2,303.26	2,300.75
Security Deposits	1,101.67	1,099.01
Total	**3,404.93**	**3,399.76**

7. Other non-current assets

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Income Tax Payment (Net)	330.18	667.29
Capital Advances*	995.99	995.99
Prepaid Lease rental	175.31	219.10
Total	**1,501.48**	**1,882.38**

* Capital advances to Saumya Buildcon is expected to be recovered in this year. It was expected to be settled in the last year but it got delayed as entire economy was reeling under COVID-19 Pandemic situation accordingly no impairment has been considered.

8. Inventories

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	540.56	1,178.97
Finished Goods	5,845.25	6,800.59
Stock in trade	1,250.12	1,165.65
Stores and spares	213.69	189.71
Total	**7,849.62**	**9,334.92**

During the year inventory is written down on account of slow moving, non-moving and old inventory by Rs. 541.97 lakhs (previous year 3,175.60 lakhs)

9. Inventories – Real Estate

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Land at Kanjurmarg	15,000.00	15,000.00
Total	**15,000.00**	**15,000.00**

10. Trade receivables

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade receivables - Unsecured		
Considered good	9,915.25	14,482.08
Credit Impaired	4,712.99	3,110.30
	14,628.24	**17,592.38**
Less: Allowance for credit losses	(4,712.99)	(3,110.30)
Total	**9,915.25**	**14,482.08**

Note:

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member.

b) Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Also refer Note 41 (iii).

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

	Amount
Balance as at 1st April, 2019	**869.06**
Add : Created during the year	2,241.24
Less : Released during the year	-
Balance as at 31st March, 2020	**3,110.30**
Add : Created during the year	1,724.29
Less : Released during the year	(121.60)
Balance as at 31st March, 2021	**4,712.99**

11. Cash and cash equivalents

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	1,183.15	820.25
Cash on hand	4.47	3.57
Total	**1,187.62**	**823.82**

12. Loans

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Loans to Related Parties - refer note 34 (c)		
Unsecured, Considered Good *	7,746.18	7,867.32
Less: Impairment of non-current investment in subsidiary #	(1,824.83)	(1,791.97)
Other Loans & Advances		
Unsecured, Considered Good	9.30	14.65
Total	**5,930.65**	**6,090.00**

Management has done a detailed evaluation on the recoverability of these investments/ loans given. The Valuation of Land in NRPL along with its subsidiaries has been conducted by an independent valuer. On the basis of such valuation done, management believes that the loans given can be recoverable and accordingly no provision required to be recorded in respect of these balances as at the year end.

Does not include any loans due from directors or other officers of the Company either severally or jointly with any other person.

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 Lakhs)

	Loans Outstanding as at		Maximum amount outstanding during the year ended on	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Nitco Realties Pvt. Ltd.	5,919.10	6,073.10	6,073.10	7,038.59
New Vardhman Vitrified Pvt. Ltd.	-	-	-	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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

13. Other financial assets

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Others (Unsecured considered good unless otherwise stated)	7.01	64.98
Total	**7.01**	**64.98**

14. Other current assets

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance with statutory authorities	3,344.23	3,515.13
Advances for supply of goods and rendering of services	572.12	701.36
Prepaid expenses/Other Receivables	229.14	255.13
Other Assets	147.43	146.99
Total	**4,292.92**	**4,618.61**

15. Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Authorised:				
Equity Shares:				
Equity shares of Rs.10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Preference Shares:				
Redeemable Preference Shares of Rs.10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of Rs.10/- each	7,18,58,955	7,185.90	7,18,58,955	7,185.90
Total	**7,18,58,955**	**7,185.90**	**7,18,58,955**	**7,185.90**

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

(Rs. In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	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:

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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%

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

16. Other equity

(Rs. In Lakhs)

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 1st April, 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,933.76)**	**(1,654.84)**
Net income / (loss) for the year	-	-	-	-	(12,512.59)	**(12,512.59)**
Other comprehensive income	-	-	-	-	54.50	**54.50**
As at 31st March, 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,391.85)**	**(14,112.93)**
As at 1st 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	-	-	-	-	**1,750.00**
Adjustment towards fair valuation					(61.21)	**(61.21)**
As at 31st March, 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,933.76)**	**(1,654.84)**

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.

17. Borrowings

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
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
From Others	25,705.00	35,169.36
Long term maturities of finance lease	17.55	26.59
Total	**45,722.55**	**55,195.95**

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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

17.1 Interest and repayment schedule for secured long term borrowings

(Amount in Rupees Lakh, unless otherwise stated)

Type of loan	Loan outstanding as at 31.03.2021			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	9,600.00	13,815.21	**23,415.21**	20,000.00	9%	20 structured quarterly installments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the company • Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the company • Pledge of shares held by promoters in Nitco Limited and six associate companies • Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Id by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the company • Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Term loans Facility 2 (secured)	16,105.00	14,001.18	**30,106.18**	30,000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	
Redeemable Non-Convertible Preference Shares	15,000.00	-	**15,000.00**	15,000.00	0.10%	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.	
Redeemable Non-convertible Debentures	5,000.00	-	**5,000.00**	5,000.00	5%	The Debenture shall at the end of 10 years from the effective date (i.e. 28th February 2028).	
Total (A)	**45,705.00**	**27,816.39**	**73,521.39**				

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

Type of loan	Loan outstanding as at March 31, 2021			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
Term loans not assigned to JM Financial Assets Reconstruction Company							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	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. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60	2,000.00	11.25%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	
Term loan from Bank	-	86.20	86.20	$ 8 million	10.75%	12 structured quarterly installments commencing from March 31, 2015	Pari passu charge on Silvassa Plant and guaranteed by promoters
Vehicle Loans	17.55	13.53	31.08	203.00	3M LIBOR Plus 2.60 %	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying company owned vehicles
Total (B)	17.55	1,986.99	2,004.54				
Grand TOTAL (A+B)	**45,722.55**	**29,803.38**	**75,525.93**				

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 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.

iii. As at 31st March, 2021, the default in repayment of dues to JMFARC was 18,350.61 lakhs (including interest).

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

18. Lease Liabilities

Non Current

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (refer note 3A)	69.88	-
Total	**69.88**	**-**

Current

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (refer note 3A)	162.37	-
Total	**162.37**	**-**

19. Provisions

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	215.33	186.11
Total	**215.33**	**186.11**

20. Trade payables

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro and small enterprises;	616.13	1,483.66
- total outstanding dues of creditors other than micro and small enterprises	11,961.73	13,109.92
Total	**12,577.86**	**14,593.58**

Notes:

I. Disclosure with respect to related party transactions is given in note 34.

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:

III. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

This has been relied upon by the auditors.

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
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	616.13	1,483.66
- 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	965.37	-
Interest due and payable for the period of delay	28.99	19.92
Interest accrued and remaining unpaid	48.91	19.92
Amount of further interest remaining due and payable	-	-

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

21. Other financial liabilities

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	29,803.38	15,847.53
Loans & Advances from related parties	191.50	191.50
Deposits received	841.11	812.14
Other Advances	739.06	461.62
Amount payable to capital creditors	45.70	56.39
Interest accrued but not due on borrowings	21.92	21.92
Total	**31,642.67**	**17,391.10**

22. Other current liabilities

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Other payable	5,503.57	5,254.83
Total	**5,503.57**	**5,254.83**

23. Provisions

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment	52.88	80.42
Provision for Gratuity	286.67	258.47
Total	**339.55**	**338.89**

24. Revenue from operations

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products		
Tiles & Related products	32,323.31	45,134.81
Real estate	-	499.30
	32,323.31	**45,634.11**
Other operating revenues		
Labour charges	90.06	55.91
Lease rental	12.08	27.49
Other Operating income	82.30	119.95
	184.44	**203.35**
Total	**32,507.75**	**45,837.46**

Disclosure pursuant to Ind AS 115, - Revenue from contracts with customers, are as follows:

(a) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods.

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Revenue from Sale of Tiles & Related Products	32,323.31	45,134.81
Revenue from Real Estate	-	499.30
	32,323.31	**45,634.11**
Revenue from Other Operating Revenue	184.44	203.35
Total	**32,507.75**	**45,837.46**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(b) Assets and liabilities related to contracts with customers is as below:

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract assets related to sale of goods		
Trade receivables	9,915	14,482
Contract liabilities related to sale of goods		
Advance from customers	-	-

(c) Significant changes in contract assets and liabilities:

There has been no significant changes in contract assets & liabilities during the year

25. Other income

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Rent Received	19.32	27.46
Miscellaneous income	240.35	811.48
Total	**259.67**	**838.94**

26. Cost of materials consumed

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	1,680.86	2,094.31
Add: Purchases	1,588.54	3,142.64
	3,269.40	**5,236.95**
Less: Inventory at the end of the year	1,132.81	1,680.86
Raw Material Consumed	**2,136.59**	**3,556.09**
Packing Material	36.67	228.31
Cost of materials Consumed	**2,173.26**	**3,784.40**

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

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Stock in Trade - Opening	1,165.65	488.25
Stock in Trade - Closing	1,053.25	1,165.65
	112.39	**(677.40)**
Work in Progress - Opening	-	221.14
Work in Progress - Closing	-	-
	-	**221.14**
Finished Goods (Mfg.) - Opening	6,800.59	10,790.16
Finished Goods (Mfg.) - Closing	6,212.01	6,800.59
	588.58	**3,989.57**
Total Change in Inventories	**700.97**	**3,533.31**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

28. Employee benefits expense

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee Costs	4,938.47	7,547.10
Other Employee Costs	158.61	366.55
Total	**5,097.08**	**7,913.65**

29. Finance costs

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on debt and borrowings	5,295.46	2,284.37
Finance Cost on Lease Liability	24.19	-
Other financial charges	42.42	36.93
Total	**5,362.07**	**2,321.30**

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.

30. Depreciation and amortisation expense

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	2,915.60	3,048.38
Amortisation of intangible Assets (refer note 4)	9.67	5.65
Depreciation on Right-of-use Assets	149.70	-
Total	**3,074.97**	**3,054.03**

31. Other expenses

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Other Manufacturing Expenses		
*Power and fuel	144.12	1,083.54
Consumption of stores and spare parts	87.48	319.45
	231.60	**1,402.99**
Repairs and Maintenance		
Buildings	0.25	17.69
Machinery	15.53	173.78
Others Repairs & Maintenance	117.41	286.20
	133.19	**477.67**
Administrative Expenses		
Rent Rates and Taxes	341.72	585.18
Electricity Charges Office & Depot	99.33	145.64
Processing Charges Mosaico/Marble	54.43	89.10
Water Charges	6.23	10.42
Postage and Telephone	115.11	177.27
Printing and Stationery	11.16	19.79
Insurance	49.29	154.67
Legal and Professional Fees	244.52	316.58

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Travelling & Conveyance Expenses	449.32	1,023.93
Audit Fees	19.00	14.00
Hire Charges	40.82	139.63
Security Charges	122.83	137.57
Applicable net gain/loss on foreign currency transactions and translation	140.83	84.02
Provision for Advance	187.84	-
Miscellaneous Expenses	321.15	292.53
	2,203.58	**3,190.33**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	770.45	1,224.54
Freight Forwarding & Distribution Expenses	1,179.59	1,154.26
C&F Charges	86.97	136.87
Provision for Doubtful Debts	1,602.69	240.00
Bad Debts	83.01	10.68
	3,722.71	**2,766.35**
Total	**6,291.08**	**7,837.34**

* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2020-21, the company has sold power to MSEDCL amounting to Rs. 200.11 lakhs (previous year Rs. 285.03 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. 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).

32. 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 31st March, 2021

(Rs. In Lakhs)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	54.50	**54.50**
Total	**54.50**	**54.50**

During the year ended 31st March, 2020

(Rs. In Lakhs)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	(14.25)	**(14.25)**
Total	**(14.25)**	**(14.25)**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

33. Earnings per share (EPS)

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year (Rs.)	(12,458.09)	(6,133.36)
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.)	(17.34)	(8.54)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(17.34)	(8.54)

34. 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, 2021	As at March 31, 2020
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd. [Subsidiary only till 10.12.2020]#	India	NA	51
Nitco Realties Private Limited	India	100	100
Fellow Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100
Quick Innovationlab Pvt. Ltd.	India	100	-

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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. 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(B) Transactions with related parties:

(Rs. in Lakh)

Transactions	Year ended March 31, 2021					Year ended March 31, 2020				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Sale of Goods										
New Vardhman Vitrified Pvt Ltd	-				**-**	-				**-**
Purchase of Traded Goods										
New Vardhman Vitrified Pvt Ltd	-				**-**	65.55				**65.55**
Power & fuel expenses										
Saisha Trading LLP			-		**-**			-		**-**
Other Expenses										
IB Hospitality Pvt Ltd			4.96		**4.96**			1.57		**1.57**
Nitco Holdings HK Company Ltd.	-				**-**	-				**-**
Siddharth Pradip Kothari		-			**-**		0.46			**0.46**
Directors Sitting Fees										
Rakesh Kashimpuria*		0.90			**0.90**		-			**-**
Sharath Padmanabh Bolar		2.50			**2.50**		2.30			**2.30**
Bharti Pradeep Dhar		2.50			**2.50**		1.80			**1.80**
Siddharth Pradip Kothari		2.45			**2.45**		1.40			**1.40**
Vivek Grover*		1.50			**1.50**		1.20			**1.20**
Samir Chawla*		0.60			**0.60**		0.90			**0.90**
Rent Paid										
Eden Garden Builders Pvt.Ltd.			-		**-**			2.65		**2.65**
Enjoy Builders Pvt.Ltd.			-		**-**			3.64		**3.64**
Lavender Properties Pvt.Ltd.			-		**-**			2.63		**2.63**
Prakalp Properties Pvt.Ltd.			-		**-**			2.52		**2.52**
Rang Mandir Builders Pvt.Ltd.			-		**-**			3.48		**3.48**
Usha Kiran Builders Pvt.Ltd.			-		**-**			2.63		**2.63**
Rent Received										
Saisha Trading LLP			-		**-**			-		**-**
Loans & Advances Given/Adjusted										
Nitco Realties Pvt. Ltd.	-				**-**	0.01				**0.01**
New Vardhman Vitrified Pvt. Ltd.	-				**-**	-				**-**
Loans & Advances Received/ Adjusted										
Nitco Realties Pvt. Ltd.	154.00				**154.00**	965.50				**965.50**
Nitco Paints Pvt.Ltd.	-		-		**-**			191.50		**191.50**
New Vardhman Vitrified Pvt. Ltd.	-				**-**					
Impairment of Investment										
New Vardhman Vitrified Pvt. Ltd.	-				**-**	2,040.13				**2,040.13**
Impairment of Loans & Advances										
New Vardhman Vitrified Pvt. Ltd.	32.86				**32.86**	1,791.97				**1,791.97**

*Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover, Mr. Samir Chawla & Mr. Rakesh Kashimpuria is paid to JM Financial Asset Reconstruction Company Limited (JMFARC).

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(C) Balances outstanding as at the year end

(Rs. in Lakh)

Transactions	Year ended March 31, 2021					Year ended March 31, 2020				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Amount Receivable/(Payable)										
Nitco Realties Pvt. Ltd.	5,919.10				**5,919.10**	6,073.10				**6,073.10**
New Vardhman Vitrified Pvt Ltd #	-				**-**	1,791.97				**1,791.97**
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)**			(191.50)		**(191.50)**
New Vardhman Vitrified Pvt Ltd										
Eden Garden Builders Pvt.Ltd.			(17.97)		**(17.97)**			(17.97)		**(17.97)**
Enjoy Builders Pvt.Ltd.			(27.94)		**(27.94)**			(27.94)		**(27.94)**
Lavender Properties Pvt.Ltd.			(21.75)		**(21.75)**			(21.75)		**(21.75)**
Prakalp Properties Pvt.Ltd.			(20.13)		**(20.13)**			(20.13)		**(20.13)**
Rang Mandir Builders Pvt.Ltd.			(28.85)		**(28.85)**			(28.85)		**(28.85)**
Usha Kiran Builders Pvt.Ltd.			(21.57)		**(21.57)**			(21.57)		**(21.57)**
Saisha Trading LLP			(225.51)		**(225.51)**			(225.51)		**(225.51)**
IB Hospitality Pvt Ltd			(0.81)		**(0.81)**			-		**-**
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**
Guarantee Received *										
Promoter Group		73,521.40			**73,521.40**		68,959.26			**68,959.26**
Subsidiary companies	73,521.40				**73,521.40**	68,959.26				**68,959.26**
Investment										
Nitco Realties Pvt. Ltd.	694.59				**694.59**	694.59				**694.59**
New Vardhman Vitrified Pvt Ltd #	-				**-**	2,040.13				**2,040.13**

As at 31st March, 2021 the shareholding of the company in New Vardhman Vitrified Private Ltd (NVVPL) is 49%. The company has no influence over NVVPL or its KMP nor controls the composition of its Board

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

35. 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.220.02 Lakh for the year ended 31st March, 2021 (31st March, 2020 Rs. 345.13 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 31st March, 2021 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 Lakhs)

	March 31, 2021	March 31, 2020
Defined benefit obligation at the beginning of the year	858.55	884.62
Current service cost	68.23	71.44
Interest Expense or Cost	48.04	62.05
Benefits paid	(163.16)	(175.15)
Actuarial (gain)/ loss	(54.50)	15.59
Defined benefit obligation at the end of the year	**757.16**	**858.55**

B. Movements in the fair value of plan assets

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	600.08	639.06
Investment income	33.58	44.83
Contribution by employer	-	90.00
Benefits paid	(163.17)	(175.15)
Expected Interest Income on plan assets	-	1.34
Fair value of plan assets at the end of the year	**470.49**	**600.08**

C. Amount recognized in the balance sheet

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
Fair value of plan assets	757.16	858.55
Defined benefit obligation	470.49	600.08
Net Asset/ (Liability) recognised in the Balance Sheet	(286.67)	(258.47)
Amount recognised in the Balance Sheet	**(286.67)**	**(258.47)**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

D. Amount recognised in Statement of Profit and Loss

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
Current service cost	68.23	71.44
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	14.46	17.22
Amount recognised in Statement of Profit and Loss	**82.69**	**88.66**

E. Amount recognised in Other Comprehensive Income:

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
Actuarial changes arising from changes in demographic assumptions	2.32	(0.18)
Actuarial changes arising from changes in financial assumptions	13.47	40.70
Experience adjustments	(70.29)	(24.93)
Return on plan assets, excluding amount recognized in net interest expense	-	(1.34)
Amount recognised in Other Comprehensive Income	**(54.50)**	**14.25**

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

	March 31, 2021	March 31, 2020	April 1, 2019
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	100%	100%	100%

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

	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.15%	5.60%
Salary growth rate (per annum)	6.00%	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 31st March, 2021 is as shown below:

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (Base)	757.16	858.55

(Rs. In Lakhs)

Gratuity Plan	As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	797.86 5.40%	720.16 -4.90%	854.98 3.90%	892.45 -3.70%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	720.63 -4.80%	796.39 5.20%	915.98 -3.60%	827.37 3.80%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	759.07 0.30%	753.91 -0.40%	895.62 -0.50%	854.39 0.00%
"Mortality Rate (- / + 10% of mortality rates) (% change compared to base due to sensitivity)"	757.14 0.00%	757.18 0.00%	884.71 0.00%	858.51 0.00%

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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

(Rs. In Lakhs)

	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	167.59	297.74
Between 2 and 5 years	360.24	412.73
Between 6 and 10 years	311.85	249.85
Beyond 10 years	246.29	122.08

36. Disclosure pursuant to Ind AS 108 "Operating Segment"

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

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

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

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

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

A. Business Segment:

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Net sales / Income from operations		
- Tiles and other related products	32,495.68	45,338.16
- Real estate	12.08	499.30
Total Revenue	**32,507.76**	**45,837.46**
Segment results		
- Tiles and other related products	(6,659.42)	(6,739.44)
- Real estate	(114.59)	(188.94)
Total Segment Profit/(Loss)	**(4,019.72)**	**(2,778.11)**
- Interest and other financial cost	5,362.07	2,321.30
- Exceptional items	-	3,212.92
Profit /(Loss) Before Tax	**(12,136.08)**	**(6,036.76)**
Provision for current tax/ Deferred Tax	376.51	82.35
Profit /(Loss) After Tax	**(12,512.59)**	**(6,119.11)**

Capital Employed

(Rs. In Lakhs)

	Segment Asset		Segment Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
- Tiles and other related products	65,978.67	74,637.23	20,135.91	21,564.89
- Real estate	22,997.91	23,187.00	104.21	165.98
- Unallocated/ Corporate	330.18	667.29	-	-
Total Capital Employed	**89,306.76**	**98,491.52**	**20,240.12**	**21,730.87**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

B. Geographical Segment:

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

(Rs. In Lakhs)

	India		Rest of the world		Total	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue	26,308.75	41,414.46	6,199.00	4,423.00	32,507.75	45,837.46
Carrying cost of Segment assets	88,529.86	98,011.77	776.90	479.75	89,306.76	98,491.52
Addition of fixed assets and tangible assets	238.90	493.75	-	-	238.90	493.75

37. Share based payments

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the shareholders of the Company on 30th March, 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	No share options granted during FY: 2020-21
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 2019	-	-
Granted during the year	11,62,000	39.55
Forfeited during the year	50,000	39.55
Exercised during the year	-	-
At 31st March, 2020	**11,12,000**	**39.55**
Exercisable as at 31st March, 2020	-	-
Weighted average remaining contractual life (in years)	3.22	-
At 1st April, 2020	11,12,000	-
Granted during the year	-	39.55
Forfeited during the year	6,50,000	39.55
Exercised during the year	-	-
At 31st March, 2021	**4,62,000**	**39.55**
Exercisable as at 31st March, 2021	1,15,500	-
Weighted average remaining contractual life (in years)	2.32	-

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	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 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	2.32	2.32	2.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

38. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31st March, 2021 are Rs.6.33 Lakh (31st March, 2020 - Rs. 48.93 Lakh).

(b) Contingent Liabilities

(Rs. In Lakhs)

		As at March 31, 2021	As at March 31, 2020
a)	Bank Guarantee given by the company	3,765.56	3,765.56
b)	Demands against the company not acknowledged as debts and not provided for against		
	i. Penalty levied by DGFT, Delhi (refer to note (ii) below)	16,980.00	16,980.00
	ii. Demand order for unearned income (refer to note (iii) 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	4,297.75	5,945.80
c)	Legal matters	124.80	97.53
d)	Estimated amount of interest on loan which is not provided in the books (refer note v below)	2,217.00	2,005.79

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

ii. 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.

iii. 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 filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March,2018. However same was confirmed as interim relief by order dated 09th September, 2019.

iv. 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.The company has defaulted in term loan payment of JMFARC of Rs 183.47 Crores and as such JMFARC can now exercise its right to revoke any time. Management has however not provided for the waiver of Rs 54,592.38 Lakhs granted by JMFARC as the company has not yet received any notice from JMFARC.

v. 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 negotiation with LIC & DBS, no further adjustments in respect of LIC facility has been made.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

39. 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 Lakhs)

		As at March 31, 2021	As at March 31, 2020
Debt#	A	75,524.18	71,043.48
Cash & cash equivalent	B	1,187.62	823.82
Net Debt	C=(A-B)	74,336.56	70,219.66
Equity	D	(6,927.03)	5,531.06
Net Debt to Equity ratio	E=(C/D)	-	12.70

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.

40. 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 Lakhs)

	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 11)	1,187.62	1,187.62	823.82	823.82
Bank Balances	-	-	-	-
Trade Receivables (Refer Note 10)	9,915.25	9,915.25	14,482.08	14,482.08
Loans (Refer Note 12)	5,930.65	5,930.65	6,090.00	6,090.00
Other Financial Assets (Refer Note 6 & 13)	7.01	7.01	64.98	64.98
Total	**17,040.53**	**17,040.53**	**21,460.88**	**21,460.88**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at fair value through Statement of Profit and Loss	-	-	-	-
Investments	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:				
Trade Payables (Refer note 20)	12,577.86	12,577.86	14,593.58	14,593.58
Other Financial Liabilities (Refer Note 21)	1,841.04	1,841.04	1,543.57	1,543.57
Borrowings (Refer Note 17, 21)	75,524.18	75,524.18	71,043.48	71,043.48
Total	**89,943.08**	**89,943.08**	**87,180.63**	**87,180.63**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil

41. 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
As at 31st March, 2021	5%	(2.06)	4.49	(1.00)	1.48
	(5%)	2.06	(4.49)	1.00	(1.48)
As at 31st March, 2020	(5%)	(26.85)	2.99	(1.07)	(24.94)
	(5%)	26.85	(2.99)	1.07	24.94

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 Lakhs)

	As at March 31, 2021	As at March 31, 2020
Fixed Rate Borrowings	73,274.32	69,025.34
Floating Rate Borrowings	2,251.61	2,018.14
Total Borrowing	**75,525.93**	**71,043.48**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2021 would decrease/increase by Rs. 224.50 lakh (for the year ended 31st March, 2020: decrease/increase by Rs. 10.09 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:

(Rs. In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	2,743.71	3,296.15
Other trade receivables	7,171.54	11,185.93
	9,915.25	**14,482.08**

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at 31st March, 2021 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 Lakhs)

	On demand	< 1 year	1 – 3 yers	3 - 5 years	> 5 years	Total
As at 31st March, 2021						
Borrowings		29,803.38	25,722.55		20,000.00	**75,525.93**
Trade payables		12,577.86				**12,577.86**
Other financial liabilities	841.11	998.18				**1,839.29**
Total	**841.11**	**43,379.42**	**25,722.55**	**-**	**20,000.00**	**89,943.08**
As at 31st March, 2020						
Borrowings		15,847.53	35,195.95	-	20,000.00	**71,043.48**
Trade payables		14,593.58				**14,593.58**
Other financial liabilities	812.14	731.43				**1,543.57**
Total	**812.14**	**31,172.54**	**35,195.95**	**-**	**20,000.00**	**87,180.63**

42. Exceptional items

A. The company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14,032.15 lakhs has been written back in FY 20.

B. As on 31st 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 & 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

43. Research and development expenditure

(Rs. In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment)	-	33.96

44. Balance confirmation

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

45. Impact of COVID -19

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 31st March 2021. 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.

46. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 11th June, 2021.

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Kishore Rane
Partner
Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

INDEPENDENT AUDITORS REPORT

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 NTCO Limited (the Company) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"); which comprise the consolidated Balance Sheet as at 31st March, 2021, 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 31st March, 2021, 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.

Material Uncertainty Related to Going Concern

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) There is a default in repayment of term loan from JMFARC of ₹ 183.50 crore. JMFARC is also having a right to revoke the waiver of ₹ 546 cr already given in case of default.

   (ii) Company is continuously making operating cash losses. During the current financial year ended 31st March, 2021 company incurred a net loss of ₹ 121.36 crore thereby resulting in negative net worth of ₹ 69.27 crore.

   (iii) Note No 45 to the Consolidated 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.

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 31st March, 2021. 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 and loan given to subsidiaries (as described in note 12 of the Consolidated Ind AS financial statements)	
The carrying values of the Company's investments in subsidiaries are assessed annually by management for potential indicators of impairment. For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable 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. Valuation of underlying assets especially land with subsidiaries were done from Independent Valuer.	Our audit procedures included, among others the following: We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment; We have studied available financial information including considerations of the economic conditions and audited financial statements of the subsidiaries; We have evaluated the current approximate market price of the land, real estate properties where the subsidiaries have invested for computing the recoverable amount; We have checked the Valuation report of underlying asset done by Independent Valuer; We read and assessed the relevant disclosures made within the standalone Ind AS financial statements.

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 31st March, 2021 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 benwefits of such communication.

Other matter

The consolidated Financial Results include the audited Financial Results of Fourteen subsidiaries, whose Financial Results/ financial information reflect Group's share of total assets of Rs.9614.33 lakhs as at 31st March, 2021, Group's share of total revenue of Rs 240.95 lakhs and Group's share of total net profit/(loss) after tax of Rs. (855.56), total comprehensive income /loss of Rs Nil as considered in the consolidated Financial Results. These audited 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 audited Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 A" to this report;

(g) In our opinion, the managerial remuneration for the year ended 31st March, 2021 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 38 (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
Firm Registration Number: 117249W

Kishore Rane
Partner
Membership Number: 100788
UDIN: 21100788AAAAHM1354

Place of Signature: Mumbai
Date: 11th June, 2021

List of Subsidiary Companies included in the Consolidated Financial Statement :

Sr.No.	Name of the Company
	Subsidiaries
1	Nitco Realties Private Limited
	Fellow Subsidiaries
1	Maxwealth Properties Pvt. Ltd.
2	Meghdoot Properties Pvt. Ltd.
3	Roaring - Lion Properties Pvt. Ltd.
4	Feel Better Housing Pvt. Ltd.
5	Quick-Solution Properties Pvt. Ltd.
6	Silver-Sky Real Estates Pvt. Ltd.
7	Opera Properties Pvt. Ltd.
8	Ferocity Properties Pvt. Ltd.
9	Glamorous Properties Pvt. Ltd.
10	Nitco IT Parks Pvt. Ltd.
11	Nitco Aviation Pvt. Ltd.
12	Aileen Properties Pvt. Ltd.
13	Quick Innovationlab Pvt. Ltd.

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 31st March, 2021, 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 31st March, 2021, 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
Firm Registration Number: 117249W

Kishore Rane
Partner
Membership Number: 100788

Place of Signature: Mumbai
Date: 11th June 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 21, 2021	As at March 21, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	39,111.29	45,461.03
Capital work-in-progress		477.93	505.44
Right-of-use Assets	3A	208.66	
Intangible assets	4	-	9.67
Goodwill on Consolidation		323.77	323.77
Financial Assets			
Other Financial Assets	5	3,404.93	3,399.76
Other non-current assets	6	1,501.48	1,882.38
		45,028.06	**51,582.05**
Current assets			
Inventories	7	7,853.02	9,340.02
Inventories – Real Estate	8	18,734.30	18,781.09
Financial assets			
Trade receivables	9	9,971.53	14,487.48
Cash and cash equivalents	10	1,270.77	1,067.25
Loans	11	2,041.52	2,892.27
Other financial assets	12	7.01	64.98
Other current assets	13	4,311.71	4,626.88
Asset/ Disposal Group held for sale		3,084.24	-
		47,274.10	**51,259.97**
Total Assets		**92,302.16**	**102,842.02**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	7,185.90	7,185.90
Other equity	15	(14,443.26)	(811.00)
Non-Controlling Interest		(1,723.50)	(1,415.83)
		(8,980.86)	**4,959.07**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	45,722.55	55,756.99
Lease Liabilities	17	69.88	-
Provisions	18	215.33	186.11
Deferred tax liabilities	19	-	3.86
		46,007.76	**55,946.96**
Current liabilities			
Financial liabilities			
Borrowings	20	-	1,626.56
Trade payables	21	12,637.58	16,602.75
Lease Liabilities	17	162.37	-
Other financial liabilities	22	31,850.74	17,976.63
Other current liabilities	23	5,591.32	5,388.74
Provisions	24	341.55	341.31
Liability/ Disposal Group held for sale		**4,691.70**	**-**
		55,275.26	**41,935.99**
Total Equity and Liabilities		**92,302.16**	**1,02,842.02**

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Kishore Rane
Partner
Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
CONTINUING OPERATIONS			
INCOME			
Revenue From Operations	**25**	32,695.95	46,041.12
Other Income	**26**	312.43	892.80
Total Income		**33,008.38**	**46,933.92**
EXPENSES			
Cost of materials consumed	**27**	2,329.76	3,974.32
Purchase of stock-in-trade		22,204.07	27,426.48
Changes in inventories of finished goods, stock in trade and work-in-progress	**28**	700.97	3,533.31
Employee benefits expense	**29**	5,097.08	7,913.65
Finance costs	**30**	5,362.07	2,321.60
Depreciation and amortisation expense	**31**	3,074.97	3,054.03
Other expenses	**32**	7,231.16	7,747.27
Total Expenses		**46,000.08**	**55,970.66**
Profit/(Loss) from continuing operations before tax before exceptional items		**(12,991.70)**	**(9,036.74)**
Exceptional items - gain/(loss)		-	7,045.03
Profit/(Loss) from continuing operations before tax after exceptional items		**(12,991.70)**	**(1,991.71)**
Profit/(Loss) from discontinuing operations before tax		(626.23)	(5,105.29)
Profit / (Loss) from continuing and discontinued operations		**(13,617.93)**	**(7,097.00)**
Tax expense:			
Current Tax (current year)		-	40.86
Current Tax (earlier years)		376.51	82.35
Profit /(Loss) for the year		**(13,994.44)**	**(7,220.21)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans	**33**	54.50	(14.25)
Income tax effect on such items			
Total other comprehensive income for the year, net of tax		**54.50**	**(14.25)**
Total comprehensive income/(Loss) for the year, net of tax		**(13,939.94)**	**(7,234.46)**
Profit for the year attributable to:			
Owners of the Company		(13,686.76)	(4,744.31)
Non-Controlling Interests		(307.68)	(2,475.90)
Other Comprehensive Income for the year attributable to:			
Owners of the Company		54.50	(14.25)
Non-Controlling Interests			
Total Comprehensive Income for the year attributable to:			
Owners of the Company		(13,632.26)	(4,758.56)
Non-Controlling Interests		(307.68)	(2,475.90)
Earnings per equity share (computed on the basis of profit for the year):			
Basic & Diluted	**34**	(18.97)	(6.62)

The above Statement of Profit & Loss should be read in conjunction with the accompanying notes

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Kishore Rane
Partner
Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity share capital

(Rs. in Lakh)

Particulars	Amount
As at 1st April, 2020	7,185.90
Changes during the year	-
As at 31 March 2021	**7,185.90**

B. Other equity

(₹ in Lakh)

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)	
As at 1st April, 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,255.25)**	**(35.46)**	**(811.00)**
Net income / (loss) for the year	-	-	-	-	(13,686.76)		**(13,686.76)**
Other comprehensive income	-	-	-	-	-	54.50	**54.50**
As at 31 March 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**63,942.01)**	**19.04**	**(14,443.26)**
As at 1 April 2019	**325.47**	**42,591.33**	**966.00**	**3,846.91**	**(45,472.35)**	**(21.21)**	**2,236.15**
Net income / (loss) for the year	-	-	-	-	(4,744.31)	-	**(4,744.31)**
Other comprehensive income	-	-	-	-	-	(14.25)	**(14.25)**
Unsubscribed Share warrants	1,750.00	-	-	-	-	-	**1,750.00**
Adjustment towards fair valuation	-	-			(61.22)	-	**(61.22)**
Adjustment towards Bonus	-	-	-	-	22.63	-	**22.63**
As at 31st March, 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,255.25)**	**(35.46)**	**(811.00)**

In terms of our report of even date annexed

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Membership No.: 100788

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Chief Financial Officer

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Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rupees Lakh, unless otherwise stated)

		Year ended 31 March 2021		Year ended 31 March 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax & exceptional items		(12,991.70)		(10,309.92)
	Adjusted for :				
	Depreciation & amortisation expense	3,074.97		3,864.25	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(18.91)		(1.50)	
	Finance costs	5,362.07		2,348.00	
	Provisions against current assets	3,279.18	11,697.31	240.00	6,450.75
	Operating Profit before Working Capital Changes		(1,294.39)		(3,859.17)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	991.83		2,880.82	
	(Increase)/decrease in trade receivables	2,964.13		4,247.05	
	(Increase)/decrease in other receivables	103.56		5,129.07	
	Increase/(decrease) in trade and other payables	(1,579.86)		(6,105.79)	
	Increase/(decrease) in provisions	0.66	2,480.31	(6.12)	6,145.03
	Cash Generated from Operations		1,185.92		2,285.86
	Taxes paid (net of refunds)		0.00		1,175.31
	Net Cash generated from Operations		**1,185.92**		**3,461.17**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(190.90)		(401.49)	
	Net Cash flow (used in) Investing Activities		**(190.90)**		**(401.49)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	(284.89)		(3,093.75)	
	Advance against sale of subsidiary	279.19		-	
	Payment of lease liability	(149.70)			
	Finance costs (net)	(610.45)		(491.88)	
	Net Cash flow (used in) Financing Activities		**(765.85)**		**(3,585.63)**
	Net increase in Cash and Cash Equivalents (A+B+C)		**229.17**		**(525.95)**
	Cash and Cash Equivalents at the beginning of the year		**1,067.25**		**1,593.20**
	Less: Amount difference due to assets held for sale		(25.65)		-
	Cash and Cash Equivalents at the end of the year		**1,270.77**		**1,067.25**
	Components of cash and cash equivalents at the end of the year				
	Cash on hand		6.80		6.78
	Balance in current account and deposits with banks		1,263.97		1,060.47
	Cash and Cash Equivalents at the end of the year		**1,270.77**		**1,067.25**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2020	Liability/ Disposal Group held for sale	Cash Flows	Interest Accrued /Writeback	As at March 31, 2021
Redeemable Non-Convertible Preference Shares	15,000.00				**15,000.00**
Redeemable Non-convertible Debentures	5,000.00				**5,000.00**
Long-term borrowings including current maturities of long-term debts	51,538.59	561.19	747.88	5,265.33	**55,494.85**
Lease liabilities (including current maturities of finance lease obligations)	66.08		35.00		**31.08**
Total liabilities from financing activities	**71,604.67**	**561.19**	**782.88**	**5,265.33**	**75,525.93**

In terms of our report of even date annexed

For and on behalf of the Board

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Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 categorized 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 realization 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 recognized 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 combine 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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 31 March 2021	As at 31 March 2020
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd. (subsidiary till 10.12.2020) #	India	NA	51
Nitco Realties Private Limited	India	100	100
Fellow Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100
Quick Innovationlab Pvt. Ltd.	India	100	NA

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

2.4 Significant accounting policies

a. Property, Plant and Equipment (PPE)

PPE is recognized 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 capitalized 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 recognized 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 recognized 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 recognizes 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 recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized 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 straight-line 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 reasonably 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 recognized 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 recognized as expense on a straight-line basis over the lease term.

d. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence if any. Cost is determined on a moving weighted average basis. The net realizable 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 assets 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 recognized 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 recognized 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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 recognized 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 recognized in OCI or Statement of Profit and Loss are also recognized 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 amortized cost:**
- A financial asset is subsequently measured at amortized 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. De-recognition

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 amortized 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. De-recognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

i. Employee Benefits

i. Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized 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 recognized 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 thecontribution.

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 recognized 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 recognized 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 recognized 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 recognized 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 utilized. 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 recognized in reserves are recognized 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 capitalized/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 recognized 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". Earnings Per Share

o. Earnings per share

In determining the earnings per share, the Company considers the net profit/loss after tax and post-tax effect of any extraordinary/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, unrealized 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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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 31st March 2021. 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.

r. Investment in Subsidiaries

New Vardhman Vitrified Pvt. Ltd. (NVVPL) was subsidiary of NITCO limited only till 10.12.2020 with 51% holding of ownership interest. However, on this date, 2% share transfer has happened and present holding is 49% only and as a result NVVPL ceased to be subsidiary with effect from this date. Though we have received full consideration, as at the balance sheet date, share transfer to the extent of 49% has not been affected pending NOC from some of the lenders.

s. Contract with GAIL (India) Limited

The Company as a buyer entered into Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of above agreement, it's an obligation on company to pay for the quantity not taken / consumed as per Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if lockout continues for a period of at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performance its obligations under this agreement, except those specifically provided herein. The Company has received waiver letter for the period ending December 2020 exempting Take or Pay claim. Accordingly based on the provisions of Force Majeure clause and waiver letter, the Company does not expect any cash outflow.

3. Application of Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements. Standards issued but not effective Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1st April, 2020.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively.

b. Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. 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:

Particulars Useful lives

Plant and machinery 7, 10 and 18 years

Fit-out and other assets at sales outlets 5 years

Roads 30 and 60 years

c. Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower. The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

d. De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

e. Intangible Assets

Measurement and recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation Intangible assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset is reviewed at least at the end of each reporting period. Costs relating to computer software are capitalised and amortised on straight line method over their estimated useful economic life of six years.

De-recognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

f. Research and development costs

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment utilized for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

h. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

5. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

6. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

7. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3. Property, plant and equipment

Consolidated Fixed Asset Schedule for the Year ending 31st March, 2021

(₹ in Lakh)

Particulars	Freehold Land	Lease Hold land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Livestock	Total Assets
Acquisition Cost											
As at 1st April, 2019	**6,060.48**	**145.66**	**21,133.30**	**1,218.11**	**66,472.29**	**1,060.48**	**2,770.65**	**3,680.54**	**903.45**	**100.42**	**103,545.38**
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**
As at 31st March, 2020	**6,060.48**	**145.66**	**21,203.39**	**1,225.60**	**66,696.76**	**1,104.26**	**2,867.30**	**3,680.54**	**905.13**	**111.87**	**104,000.99**
Additions	-	132.72	7.03	12.60	18.07	15.67	52.22	-	0.59	-	**238.90**
Disposals	-	-	-	17.10	10.50	13.18	29.90	-	120.66	3.84	**195.18**
As at 31st March, 2021	**6,060.48**	**278.38**	**21,210.42**	**1,221.10**	**66,704.33**	**1,106.75**	**2,889.62**	**3,680.54**	**785.06**	**108.03**	**104,044.71**
Depreciation											
As at 1st April, 2019	-	15.04	9,874.06	1,106.98	34,654.76	992.47	2,308.86	2,343.79	741.23	-	**52,037.17**
Depreciation charge for the year	-	3.01	660.00	52.72	2,821.76	24.47	82.43	151.36	62.82	-	**3,858.60**
Disposals	-	-	-	39.70	0.34	-	2.20	-	-	-	**42.24**
Impairment of FA of Subsidiary Co.	-	-	413.36	3.93	2,250.72	2.50	5.97	-	9.95	-	**2,686.43**
As at 31st March, 2020	**-**	**18.05**	**10,947.42**	**1,123.93**	**39,726.90**	**1,019.44**	**2,395.06**	**2,495.15**	**814.00**	**-**	**58,539.96**
Depreciation charge for the year	-	4.33	603.02	32.94	2,010.63	24.34	65.32	151.36	23.66	-	**2,915.60**
Disposals	-	-	-	17.11	9.98	13.18	26.26	-	117.40	-	**183.93**
Impairment of FA of Subsidiary Co.	56.91	-	554.68	5.27	3,020.22	3.36	8.00	-	13.35	-	**3,661.79**
As at 31st March, 2021	**56.91**	**22.38**	**12,105.12**	**1,145.03**	**44,747.77**	**1,033.96**	**2,442.12**	**2,646.51**	**733.61**	**-**	**64,933.42**
Net Book Value:											
As at 31st March, 2021	**6,003.57**	**256.00**	**9,105.30**	**76.07**	**21,956.56**	**72.80**	**447.50**	**1,034.03**	**51.45**	**108.03**	**39,111.29**
As at 31st March, 2020	**6,060.48**	**127.61**	**10,255.97**	**101.67**	**26,969.86**	**84.82**	**472.24**	**1,185.39**	**91.13**	**111.87**	**45,461.03**

Notes:

1. Property, plant and equipment pledged as security, refer to note 17 .1 for information on property, plant and equipment pledged as security by the company

2. Lease hold land of Rs 132.72 lacs capitalised during the year pertains to expenses incurred on lease hold land situated at Nitco Limited - Business Park, Wagle Industrial Estate, Road No.16, Thane - 400604

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3A. Leases

I As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2021.

(b) Right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet

(c) Practical expedients applied :

Company has used the practical expedients permitted by the standard:

* applying a single discount rate to a portfolio of leases with reasonably similar characteristics
* accounting for operating leases with a remaining lease term of less than 12 months or with minimal rent payments as short-term leases
* In case of Leases which are having no lock in period or lease are cancellable with short notice by either party or lessee are not treated as lease for the purpose of IND AS 116.

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% with maturity between 2021-25.

(e) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	2	1 to 5 years
Office	1	1 to 7 years
Showroom	2	1 to 5 years

(f) (i) Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

(₹ In Lakhs)

	Right-of-use assets
Balance as at 1st April, 2020	-
Reclassification from Property, Plant and Equipment	-
Add: Additions	346.32
Less: Depreciation charged on the right-of-use assets	137.66
Balance as at 31st March, 2021	**208.66**

(g) Lease payments not recognised as lease liabilities:

(₹ In Lakhs)

	Year ended March 31, 2021
Expenses relating to short term leases (included in other expenses)	34.38
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	183.32
Total	**217.70**

(h) The total cash outflow for leases for the year ended 31st March, 2021 was Rs 150.29 lakhs

(i) Future minimum lease payments as on 31st March, 2021 are as follows:

(₹ In Lakhs)

Minimum lease payments due	As on March 31, 2021 Lease payments
Within 1 year	162.36
1 - 2 years	57.41
2 - 3 years	27.60
3 - 4 years	9.20

II As a Lessor

(₹ In Lakhs)

Minimum lease payments due	As on March 31, 2021
A) Amounts recognized in statement of profit and loss	19.32
Operating Lease Income	**19.32**

4. Intangible assets (Computer Software)

(₹ In Lakhs)

	Goodwill on Consolidation	Other Intangible Assets	Total
Cost			
As at 1st April, 2019	323.77	431.24	**755.01**
Additions	-	4.60	**4.60**
Disposals	-	-	**-**
As at 31st March, 2020	**323.77**	**435.84**	**759.61**
Additions	-	-	**-**
Disposals	-	-	**-**
As at 31st March, 2021	**323.77**	**435.84**	**759.61**
Amortisation			
As at 1st April, 2019	-	420.52	**420.52**
Amortisation charge for the year	-	-	**-**
Disposals	-	5.65	**5.65**
As at 31st March, 2020	**-**	**426.17**	**426.17**
Amortisation charge for the year	-	-	**-**
Disposals	-	9.67	**9.67**
As at 31st March, 2021	**-**	**435.84**	**435.84**
Net book value :			
As at 31st March, 2021	**323.77**	**-**	**323.77**
As at 31st March, 2020	323.77	9.67	**333.44**

5. Other financial assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with Banks - Held as Margin Money	2,303.26	2,300.75
Security Deposits	1,101.67	1,099.01
Total	**3,404.93**	**3,399.76**

6. Other non-current assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Income Tax Payment (Net)	330.18	667.29
Capital Advances*	995.99	995.99
Prepaid Lease rental	175.31	219.10
Total	**1,501.48**	**1,882.38**

* Capital advances to Saumya Buildcon is expected to be recovered in this year. It was expected to be settled in the last year but it got delayed as entire economy was reeling under COVID-19 Pandemic situation accordingly no impairment has been considered.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

7. Inventories

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	540.56	1,178.97
Finished Goods	213.69	199.54
Stock in trade	5,848.65	6,795.87
Stores and spares	1,250.12	1,165.64
Total	**7,853.02**	**9,340.02**

During the year inventory is written down on account of slow moving, non-moving and old inventory by Rs. 541.97 lakhs (previous year 3,175.60 lakhs)

8. Inventories – Real Estate

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Land at Kanjurmarg	15,000.00	15,000.00
Others	3,734.30	3,781.09
Total	**18,734.30**	**18,781.09**

9. Trade receivables (unsecured)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade receivables - Unsecured		
Considered good	9,971.53	14,487.48
Credit Impaired	4,712.99	3,110.30
	14,684.52	**17,597.78**
Less: Allowance for credit losses	(4,712.99)	(3,110.30)
Total	**9,971.53**	**14,487.48**

Note:

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member.

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

(₹ In Lakhs)

	Amount
Balance as at 1st April, 2019	**869.06**
Add : Created during the year	2,241.24
Less : Released during the year	-
Balance as at 31st March, 2020	**3,110.30**
Add : Created during the year	**1,724.29**
Less : Released during the year	(121.60)
Balance as at 31st March, 2021	**(4,712.99)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

10. Cash and cash equivalents

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	1,263.97	1,060.47
Cash on hand	6.80	6.78
Total	**1,270.77**	**1,067.25**

11. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Loans to Related Parties - refer note 35 (c)		
Unsecured, Considered Good	-	-
Other Loans & Advances		
Unsecured, Considered Good	2,041.52	2,892.27
Total	**2,041.52**	**2,892.27**

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

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

(₹ In Lakhs)

	Loans Outstanding as at		Maximum amount outstanding during the year ended on	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
JM Township & Real Estate Pvt Ltd	-	-	-	965.50

12. Other financial assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Others (Unsecured considered good unless otherwise stated)	7.01	64.98
Total	**7.01**	**64.98**

13. Other current assets

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with statutory authorities	3,344.23	3,515.13
Advances for supply of goods and rendering of services	572.12	701.36
Prepaid expenses/Other Receivables	229.14	255.13
Other Assets	166.22	155.26
Total	**4,311.71**	**4,626.88**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

14. Equity share capital

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Nos.	**₹ in Lakh**	**Nos.**	**₹ in Lakh**
Authorised:				
Equity Shares:				
Equity shares of ₹ 10/- each	**80,000,000**	**8,000.00**	**80,000,000**	**8,000.00**
Preference Shares:				
Redeemable Preference Shares of ₹ 10 each	**150,000,000**	**15,000.00**	**150,000,000**	**15,000.00**
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of ₹ 10/- each	**71,858,955**	**7,185.90**	**71,858,955**	**7,185.90**
Total	**71,858,955**	**7,185.90**	**71,858,955**	**7,185.90**

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

	As at March 31, 2021		As at March 31, 2020	
	No of Shares	**Amount**	**No of Shares**	**Amount**
At the beginning of the year	**71,858,955**	**7,185.90**	**71,858,955**	**7,185.90**
Issued during the year	-	-	-	-
Outstanding at the end of the year	**71,858,955**	**7,185.90**	**71,858,955**	**7,185.90**

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 the 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:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held having face value of ₹ 10 each	**Amount % of holding in class**	**Number of shares held having face value of ₹ 10 each**	**% of holding in class**
Aurella Estates And Investments Pvt Ltd	**25,676,949**	**35.73%**	**25,676,949**	**35.73%**
Vivek Prannath Talwar	**6,323,669**	**8.80%**	**6,323,669**	**8.80%**
JM Financial Asset Reconstruction Company Ltd	**17,159,617**	**23.88%**	**17,159,617**	**23.88%**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

15. Other equity

(Rs. in Lakh)

	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 1st April, 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,290.71)**	**(811.00)**
Net income / (loss) for the year	-	-	-	-	(13,686.76)	**(13,686.76)**
Other comprehensive income					54.50	**54.50**
As at 1st April, 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,922.97)**	**(14,443.26)**
As at 1st 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)**
Other comprehensive income	-	-	-	-	(14.25)	**(14.25)**
Unsubscribed Share warrants	1,750.00	-	-	-	-	**1,750.00**
Adjustment towards fair valuation	-	-	-	-	(61.22)	**(61.22)**
Adjustment towards bonus	-	-	-	-	22.63	**22.63**
As at 31st March, 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,290.71)**	**(811.00)**

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.

16. Borrowings

(₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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
From Others	25,705.00	35,730.40
Long term maturities of finance lease	17.55	26.59
Total	**45,722.55**	**55,756.99**

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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

16.1 Interest and repayment schedule for secured long term borrowings

(Amount in Rupees Lakh, unless otherwise stated)

Type of loan	Loan outstanding as at March 31, 2021			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	9,600.00	13,815.21	23,415.21	20,000.00	9%	20 structured quarterly installments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the company • Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the company • Pledge of shares held by promoters in Nitco Limited and six associate companies • Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Id by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the company • Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Term loans Facility 2 (secured)	16,105.00	14,001.18	30,106.18	30,000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	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.	
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall at the end of 10 years from the effective date (i.e. 28th February 2028).	
Total (A)	**45,705.00**	**27,816.39**	**73,521.39**				

Term loans not assigned to JM Financial Assets Reconstruction Company

(Amount in Rupees Lakh, unless otherwise stated)

Type of loan	Non-Current	Current	Total	Sanction amount	Rate of interest	Repayment terms	Security Guarantee
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	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. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60			24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	
Term loan from Bank	-	86.20	86.20	$ 8 million	10.75%	12 structured quarterly installments commencing from March 31, 2015	Pari passu charge on Silvassa Plant and guaranteed by promoters
Vehicle Loans	17.55	13.53	31.08	203.00	3M LIBOR Plus 2.60 %	Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying company owned vehicles
Total (B)	17.55	1,986.99	2,004.54				
Grand Total (A+B+C)	**45,722.55**	**29,803.38**	**75,525.93**				

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 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.

iii. As at 31.03.2021, the default in repayment of dues to JMFARC was 18,350.61 lakhs (including interest).

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

17. Lease Liabilities

Non-Current

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (refer Note 3A)	69.88	-
Total	**69.88**	**-**

Current

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Lease Liabilities (refer note 3A)	162.37	-
Total	**162.37**	**-**

18. Provisions

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	215.33	186.11
Total	**215.33**	**186.11**

19. Deferred Tax Liabilities

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities (Net)	-	3.86
Total	**-**	**3.86**

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

20. Borrowings (Short term)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Loan repayable on demand		
Secured		
From Banks		
Cash Credit - Subsidiary Company	-	1,626.56
Total	**-**	**1,626.56**

21. Trade payables

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro and small enterprises;	616.13	1,483.66
- total outstanding dues of creditors other than micro and small enterprises	12,070.45	15,119.09
Total	**12,637.58**	**16,602.75**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Notes:

I. Others include acceptances and employee compensation payable

II. Disclosure with respect to related party transactions is given in note 35

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:

IV. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

This has been relied upon by the auditors.

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
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	616.13	1,483.66
- 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	965.37	-
Interest due and payable for the period of delay	28.99	19.92
Interest accrued and remaining unpaid	48.91	19.92
Amount of further interest remaining due and payable	-	-

22. Other financial liabilities

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	29,803.38	15,847.53
Loans & Advances from related parties	191.92	191.90
Deposits received	841.11	812.14
Loans & Advances	946.71	569.27
Amount payable to capital creditors	45.70	533.87
Interest accrued but not due on borrowings	21.92	21.92
Total	**31,850.74**	**17,976.63**

23. Other current liabilities

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Advances from customers	-	25.82
Statutory dues payable	-	30.97
Other payable	5,591.32	5,331.95
Total	**5,591.32**	**5,388.74**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

24. Provisions

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment	52.88	80.42
Provision for Gratuity	286.67	258.47
Provision for Others	2.00	2.42
Total	**341.55**	341.31

25. Revenue from operations

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Sale of Products		
Tiles & Related products	32,323.30	45,634.11
Real estate	188.20	203.66
	32,511.50	**45,837.77**
Other operating revenues		
Labour charges	90.07	55.91
Lease rental	12.08	27.49
Other Operating income	82.30	119.95
	184.45	**203.35**
Total	**32,695.95**	**46,041.12**

Disclosure pursuant to Ind AS 115, - Revenue from contracts with customers, are as follows:

(a) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods.

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Revenue from Sale of Tiles & Related Products	32,323.30	45,634.11
Revenue from Real Estate	188.20	203.66
	32,511.50	**45,837.77**
Revenue from Other Operating Revenue	184.45	203.35
Total	**32,695.95**	**46,041.12**

(b) Assets and liabilities related to contracts with customers is as below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Contract assets related to sale of goods		
Trade receivables	9,972	14,482
Contract liabilities related to sale of goods		
Advance from customers	-	-

(c) Significant changes in contract assets and liabilities:

There has been no significant changes in contract assets & liabilities during the year

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

26. Other income

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Rent Received	19.32	27.46
Miscellaneous income	293.11	865.34
Total	**312.43**	**892.80**

27. Cost of material consumed

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Inventory at the beginning of the year	1,774.50	2,267.36
Add: Purchases	1,743.34	3,308.00
	3,517.84	**5,575.36**
Less: Inventory at the end of the year	1,224.74	1,774.50
Raw Material Consumed	**2,293.10**	**3,800.86**
Packing Material	36.67	173.46
Cost of materials Consumed	**2,329.77**	**3,974.32**

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

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Stock in Trade - Opening	1,165.64	488.25
Stock in Trade - Closing	1,053.25	1,165.64
	112.39	**(677.39)**
Work in Progress - Opening	-	221.14
Work in Progress - Closing	-	-
	-	**221.14**
Finished Goods (Mfg.) - Opening	6,800.59	10,790.16
Finished Goods (Mfg.) - Closing	6,212.01	6,800.59
	588.58	**3,989.57**
Total Change in Inventories	**700.97**	**3,533.32**

29. Employee benefits expense

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee Costs	4,938.47	7,547.10
Other Employee Costs	158.61	366.55
Total	**5,097.08**	**7,913.65**

30. Finance costs

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Interest on debt and borrowings	5,295.46	2,284.37
Finance Cost on Lease Liability	24.19	-
Other financial charges	42.42	37.23
Total	**5,362.07**	**2,321.60**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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.

31. Depreciation and amortisation expense

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	2,915.60	3,048.38
Amortisation of intangible Assets (refer note 4)	9.67	5.65
Depreciation on Right-of-use Assets	149.70	-
Total	**3,074.97**	**3,054.03**

32. Other expenses

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Other Manufacturing Expenses		
*Power and fuel	144.12	1,083.54
Consumption of stores and spare parts	87.48	319.45
	231.60	**1,402.99**
Repairs and Maintenance		
Buildings	0.25	17.69
Machinery	18.44	173.78
Others Repairs & Maintenance	162.91	171.67
	181.60	**363.14**
Administrative Expenses		
Rent Rates and Taxes	365.88	595.39
Electricity Charges Office & Depot	115.86	153.80
Processing Charges Mosaico/Marble	54.43	89.10
Water Charges	6.23	10.42
Postage and Telephone	115.11	177.27
Printing and Stationery	11.36	19.79
Insurance	49.29	152.91
Legal and Professional Fees	246.15	313.71
Travelling & Conveyance Expenses	449.32	1,023.93
Audit Fees	20.81	14.93
Bank Charges	0.21	-
Hire Charges	40.82	139.63
Security Charges	129.26	137.57
Applicable net gain/loss on foreign currency transactions and translation	140.83	84.02
Provision for Advance	187.84	-
Miscellaneous Expenses	323.48	302.31
	2,256.88	**3,214.78**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	770.45	1,224.54
Freight Forwarding & Distribution Expenses	1,179.59	1,154.26
C&F Charges	86.97	136.87
Provision for Bad & Doubtful Loan	838.37	-
Provision for Doubtful Debts	1,602.69	240.00
Bad Debts	83.01	10.69
	4,561.08	**2,766.36**
Total	**7,231.16**	**7,747.27**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2020-21, the company has sold power to MSEDCL amounting to Rs. 200.11 lakhs (previous year Rs. 285.03 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. 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.

33. 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 31st March, 2021

(₹ In Lakhs)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	54.50	**54.50**
Total	**54.50**	**54.50**

During the year ended 31st March, 2020

(₹ In Lakhs)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	(14.25)	**(14.25)**
Total	**(14.25)**	**(14.25)**

34. Earnings per share (EPS)

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (Loss) for the year (Rs.)	(13,632.26)	(4,758.56)
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.)	(18.97)	(6.62)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(18.97)	(6.62)

35. 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. Veentenkumar H Kavar - Director

Mr. Rajeshbhai J Likhiya - 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 Likhiya
Hina Yogesh Gandhi
Jayesh Mavjibhai Chaniyra
Karan Pravinbhai Shah
Khushbuben Rameshbhai Derasariya
Meenabhai 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 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
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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(B) Transactions with related parties:

(₹ In Lakhs)

Transactions	Year ended March 31, 2021				Year ended 31 March 2020			
	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
Power & fuel expenses								
Saisha Trading LLP		-		**-**		-		**-**
Other Expenses								
IB Hospitality Pvt Ltd		4.96		**4.96**		1.57		**1,57**
Siddharth Pradip Kothari	-			**-**	0.46			**0.46**
Directors Sitting Fees								
Rakesh Kashimpuria*	0.90			**0.90**	-			**-**
Sharath Padmanabh Bolar	2.50			**2.50**	2.30			**2.30**
Bharti Pradeep Dhar	2.50			**2.50**	1.80			**1.80**
Siddharth Pradip Kothari	2.45			**2.45**	1.40			**1.40**
Vivek Grover*	1.50			**1.50**	1.20			**1.20**
Samir Chawla*	0.60			**0.60**	0.90			**0.90**
Rent Paid								
Eden Garden Builders Pvt.Ltd.		-		**-**		2.65		**2.65**
Enjoy Builders Pvt.Ltd.		-		**-**		3.64		**3.64**
Lavender Properties Pvt.Ltd.		-		**-**		2.63		**2.63**
Prakalp Properties Pvt.Ltd.		-		**-**		2.52		**2.52**
Rang Mandir Builders Pvt.Ltd.		-		**-**		3.48		**3.48**
Usha Kiran Builders Pvt.Ltd.		-		**-**		2.63		**2.63**
Rent Received								
Saisha Trading LLP		-		**-**		-		**-**
Loans & Advances Returned/Adjusted								
Nitco Paints Pvt.Ltd.		-		**-**		-		**-**
JM Township & Real Estate Pvt Ltd		-		**-**		965.50		**965.50**
Loans & Advances Received/ Adjusted								
Nitco Paints Pvt.Ltd.		-		**-**		191.50		**191.50**
Contributions made								
Nitco Limited Employees Group Gratuity Schemes			-	**-**			90.00	**90.00**
Nitco Tiles Ltd. Superannuation Fund			-	**-**			-	**-**

*Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover, Mr. Samir Chawla & Mr. Rakesh Kashimpuria is paid to JM Financial Asset Reconstruction Company Limited (JMFARC).

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(C) Balances outstanding as at the year end

(₹ In Lakhs)

Transactions	Year ended March 31, 2021				Year ended 31 March 2020			
	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Amount Receivable/(Payable)								
Saumya Buildcon Pvt Ltd		995.99		**995.99**		995.99		**995.99**
Eden Garden Builders Pvt.Ltd.		150.00		**150.00**		150.00		**150.00**
Enjoy Builders Pvt.Ltd.		205.00		**205.00**		205.00		**205.00**
Lavender Properties Pvt.Ltd.		150.00		**150.00**		150.00		**150.00**
Prakalp Properties Pvt.Ltd.		145.00		**145.00**		145.00		**145.00**
Rang Mandir Builders Pvt.Ltd.		200.00		**200.00**		200.00		**200.00**
Usha Kiran Builders Pvt.Ltd.		150.00		**150.00**		150.00		**150.00**
Poonam Talwar		9.19		**9.19**		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)**		(191.50)		**(191.50)**
Eden Garden Builders Pvt.Ltd.		(17.97)		**(17.97)**		(17.97)		**(17.97)**
Enjoy Builders Pvt.Ltd.		(27.94)		**(27.94)**		(27.94)		**(27.94)**
Lavender Properties Pvt.Ltd.		(21.75)		**(21.75)**		(21.75)		**(21.75)**
Prakalp Properties Pvt.Ltd.		(20.13)		**(20.13)**		(20.13)		**(20.13)**
Rang Mandir Builders Pvt.Ltd.		(28.85)		**(28.85)**		(28.85)		**(28.85)**
Usha Kiran Builders Pvt.Ltd.		(21.57)		**(21.57)**		(21.57)		**(21.57)**
Saisha Trading LLP		(225.51)		**(225.51)**		(225.51)		**(225.51)**
IB Hospitality Pvt Ltd		(0.81)		**(0.81)**		-		**-**
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		-		**-**		-		**-**
Rajeshbhai Likhiya	(19.50)			**(19.50)**	(19.50)			**(19.50)**
Abhishek Sureshbhai Mehta		(21.50)		**(21.50)**		(21.50)		**(21.50)**
Ashvinbhai Raghavjibhai Jivani		(13.00)		**(13.00)**		(13.00)		**(13.00)**
Dhirubhai Bhurabhai Boda		(2.00)		**(2.00)**		(2.00)		**(2.00)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In Lakhs)

Transactions	Year ended March 31, 2021				Year ended 31 March 2020			
	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
Hardik Rajeshbhai Likhiya		(12.50)		**(12.50)**		(12.50)		**(12.50)**
Hina Yogesh Gandhi		(96.49)		**(96.49)**		(96.49)		**(96.49)**
Jayesh Mavjibhai Chaniyra		(26.90)		**(26.90)**		(26.90)		**(26.90)**
Karan Pravinbhai Shah		(10.59)		**(10.59)**		(10.59)		**(10.59)**
Khushbuben Rameshbhai Derasariya		(7.50)		**(7.50)**		(7.50)		**(7.50)**
Meenaben C. Gandhi		(87.35)		**(87.35)**		(87.35)		**(87.35)**
Nayna Pravinbhai Mehta		(14.50)		**(14.50)**		(14.50)		**(14.50)**
Payal Vishal Gandhi		(21.17)		**(21.17)**		(21.17)		**(21.17)**
Pravinchandra Sevantilal Sheth - HUF		(16.29)		**(16.29)**		(16.29)		**(16.29)**
Rajesh S. Shah		(21.17)		**(21.17)**		(21.17)		**(21.17)**
Rameshbhai Babulal Bhadja		(10.75)		**(10.75)**		(10.75)		**(10.75)**
Sadhna Sureshbhai Mehta		(27.00)		**(27.00)**		(27.00)		**(27.00)**
Utsav V Mehta		(7.00)		**(7.00)**		(7.00)		**(7.00)**
Vardhman Vitrified Pvt Ltd		18.94		**18.94**		18.94		**18.94**
Nilcity Plast Pvt Ltd		(0.71)		**(0.71)**		(0.71)		**(0.71)**
Vardhman Vitrified Pvt Ltd		(1.00)		**(1.00)**		(1.00)		**(1.00)**
Guarantee Received - Promoter Group	73,521.40			**73,521.40**	68,959.26			**68,959.26**
Nitco Limited Employees Group Gratuity Schemes			(286.67)	**(286.67)**			(258.47)	**(258.47)**

As at 31st March, 2021 the shareholding of the company in New Vardhman Vitrified Private Ltd (NVVPL) is 49%. The company has no influence over NVVPL or its KMP nor controls the composition of its Board

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

36. 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. 220.02 Lakh for the year ended 31st March 2021 (31st March, 2020 Rs. 345.13 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, 2021 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

A. Movements in present value of defined benefit obligation

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Defined benefit obligation at the beginning of the year	858.55	884.62
Current service cost	68.23	71.44
Interest Expense or Cost	48.04	62.05
Benefits paid	(163.16)	(175.15)
Actuarial (gain)/ loss	(54.50)	15.59
Defined benefit obligation at the end of the year	**757.16**	**858.55**

B. Movements in the fair value of plan assets

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	600.08	639.06
Investment income	33.58	44.83
Contribution by employer	-	90.00
Benefits paid	(163.17)	(175.15)
Expected Interest Income on plan assets	-	1.34
Fair value of plan assets at the end of the year	**470.49**	**600.08**

C. Amount recognized in the balance sheet

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Fair value of plan assets	757.16	858.55
Defined benefit obligation	470.49	600.08
Net Asset/ (Liability) recognised in the Balance Sheet	(286.67)	(258.47)
Amount recognised in the Balance Sheet	**(286.67)**	**(258.47)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

D. Amount recognised in Statement of Profit and Loss

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Current service cost	68.23	71.44
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	14.46	17.22
Amount recognised in Statement of Profit and Loss	**82.69**	**88.66**

E. Amount recognised in Other Comprehensive Income:

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Actuarial changes arising from changes in demographic assumptions	2.32	(0.18)
Actuarial changes arising from changes in financial assumptions	13.47	40.70
Experience adjustments	(70.29)	(24.93)
Return on plan assets, excluding amount recognized in net interest expense	-	(1.34)
Amount recognised in Other Comprehensive Income	**(54.50)**	**14.25**

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

Gratuity	March 31, 2021	March 31, 2020	April 01, 2019
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	**100%**	**100%**	**100%**

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

	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.15%	5.60%
Salary growth rate (per annum)	6.00%	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 31 March 2021 is as shown below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (Base)	**757.16**	**858.55**

	As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	797.86	720.16	854.98	892.45
(% change compared to base due to ensitivity)	5.40%	(4.90%)	3.90%	(3.70%)
Salary Growth Rate (- / + 1%)	720.63	796.39	915.98	827.37
(% change compared to base due to sensitivity)	(4.80%)	5.20%	-3.60%	3.80%
Attrition Rate (- / + 50% of attrition rates)	759.07	753.91	895.62	854.39
(% change compared to base due to sensitivity)	0.30%	(0.40%)	(0.50%)	0.00%
Mortality Rate (- / + 10% of mortality rates)	757.14	757.18	884.71	858.51
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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

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

(₹ In Lakhs)

	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	167.59	297.74
Between 2 and 5 years	360.24	412.73
Between 6 and 10 years	311.85	249.85
Beyond 10 years	246.29	122.08

37. Disclosure pursuant to Ind AS 108 "Operating Segment"

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

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

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

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

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

A. Business Segment:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
1. Net sales / Income from operations		
- Tiles and other related products	32,495.67	45,338.16
- Real estate	200.28	702.96
Total Revenue	**32,695.95**	**46,041.12**
2. Segment results		
- Tiles and other related products	(7,285.65)	(11,749.55)
- Real estate	(970.21)	(70.88)
Total Segment Profit/(Loss)	**(8,255.86)**	**(11,820.43)**
- Interest and other financial cost	5,362.07	2,321.60
- Exceptional items	-	7,045.03
Profit /(Loss) Before Tax	**(13,617.93)**	**(7,097.00)**

Capital Employed

(₹ In Lakhs)

	Segment Asset		Segment Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
- Tiles and other related products	69,062.88	78,324.83	24,827.61	24,042.12
- Real estate	22,909.08	23,850.05	461.74	419.78
- Unallocated/ Corporate	330.18	667.29	-	-
Total Capital Employed	**92,302.14**	**102,842.17**	**25,289.35**	**24,461.90**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

B. Geographical Segment:

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

(₹ In Lakhs)

	India		Rest of the world		Total	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue	26,496.95	41,618.12	6,199.00	4,423.00	32,695.95	46,041.12
Carrying cost of Segment assets	91,525.24	102,362.42	776.90	479.75	92,302.14	102,842.17
Addition of fixed assets and tangible assets	238.90	505.20	-	-	238.90	505.20

38. 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 2nd 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	₹ 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	No share options granted during FY: 2020-21
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:

	Number of options	Weighted average exercise price per option
At 1st April, 2019	-	-
Granted during the year	1,162,000	39.55
Forfeited during the year	50,000	39.55
Exercised during the year	-	-
At 31st March, 2020	**1,112,000**	**39.55**
Exercisable as at 31st March, 2020	-	-
Weighted average remaining contractual life (in years)	3.22	-
At 1st April, 2020	1,112,000	-
Granted during the year	-	39.55
Forfeited during the year	650,000	39.55
Exercised during the year	-	-
At 31st March, 2021	**462,000**	**39.55**
Exercisable as at 31st March, 2021	1,15,500	-
Weighted average remaining contractual life (in years)	2.32	-

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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Grant Date	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 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	2.32	2.32	2.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

39. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31st March, 2021 are Rs. 6.33 Lakh (31st March, 2020 - Rs. 48.93 Lakh).

(b) Contingent Liabilities

(₹ In Lakhs)

		As at March 31, 2021	As at March 31, 2020
a)	Bank Guarantee given by the company	4,218.11	4,218.11
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)	4,297.75	6,028.13
c)	Legal matters	124.80	97.53
d)	Estimated amount of interest on loan which is not provided in the books	2,217.00	2,005.79
	(refer note v below)		

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

ii. 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.

iii. 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 filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March, 2018. However same is confirmed as interim relief by order dated 09th September, 2019

iv. 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.The company has defaulted in term loan payment of JMFARC of Rs 183.47 Crores and as such JMFARC can now exercise its right to revoke any time. Management has however not provided for the waiver of Rs 54,592.38 Lakhs granted by JMFARC as the company has not yet received any notice from JMFARC.

v. Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuringof its facility on terms similar to restructuring done by JMFARC. Pending negotiation with LIC & DBS, no further adjustments in respect of LIC facility has been made.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

40. Capital Management

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

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

(₹ In Lakhs)

		As at March 31, 2021	As at March 31, 2020
Debt#	A	75,524.18	71,567.00
Cash & cash equivalent	B	1,270.77	1,067.00
Net Debt	C=(A-B)	74,253.41	70,500.00
Equity	D	(8,980.85)	4,959.00
Net Debt to Equity ratio	E=(C/D)	-	14.22

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.

41. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(₹ In Lakhs)

	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 10)	1,270.77	1,270.77	1,067.25	1,067.25
Bank Balances	-	-	-	-
Trade Receivables (Refer Note 9)	9,971.53	9,971.53	14,487.48	14,487.48
Loans (Refer Note 11)	2,041.52	2,041.52	2,892.27	2,892.27
Other Financial Assets (Refer Note 5 & 12)	7.01	7.01	3,464.74	3,464.74
Total	**13,290.83**	**13,290.83**	**21,911.74**	**21,911.74**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In Lakhs)

	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at fair value through Statement of Profit and Loss	-	-	-	-
Investments	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:				
Trade Payables (Refer note 21)	12,637.58	12,637.58	16,602.75	16,602.75
Other Financial Liabilities (Refer Note 22)	2,047.36	2,047.36	2,129.10	2,129.10
Borrowings (Refer Note 16, 20)	75,525.93	75,525.93	73,231.23	73,231.23
Total	**90,210.87**	**90,210.87**	**91,963.08**	**91,963.08**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil

42. Financial risk management objectives

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

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

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

i. Foreign currency risk:

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

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

	% Change in foreign currency rate	Effect on profit /(Loss) before tax			
		USD	EUR	AED	Total
As at 31st March, 2021	5%	(2.06)	4.49	(1.00)	1.48
	(5%)	2.06	(4.49)	1.00	(1.48)
As at 31st March, 2020	5%	(31.76)	2.99	(1.07)	(29.81)
	(5%)	31.76	(2.99)	1.07	29.81

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

ii. Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Fixed Rate Borrowings	73,274.32	69,586.53
Floating Rate Borrowings	2,251.61	3,644.70
Total Borrowing	**75,525.93**	**73,231.23**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2021 would decrease/increase by Rs. 224.50 lakh (for the year ended 31st March, 2020: decrease/increase by Rs. 10.09 Lakh)

iii. Credit risk

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

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

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	2,743.71	3,296.15
Other trade receivables	7,227.82	11,191.33
	9,971.53	**14,487.48**

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2021 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.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Liquidity table:

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

(₹ In Lakhs)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total	Carrying Amount
As at 31st March, 2021							
Borrowings		29,803.38	25,722.55		20,000.00	**75,525.93**	**75,525.93**
Trade payables		12,637.58				**12,637.58**	**12,637.58**
Other financial liabilities	841.11	1,206.25				**2,047.36**	**2,047.36**
Total	**841.11**	**43,647.21**	**25,722.55**	**-**	**20,000.00**	**90,210.87**	**90,210.87**
As at 31st March, 2020							
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**
Total	**812.14**	**35,954.99**	**35,195.95**	**-**	**20,000.00**	**91,963.08**	**91,963.08**

43. Exceptional items

A. The company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14,032.15 lakhs has been written back in FY 20.

B. As on 31st 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 & 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

44. Research and development expenditure

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment)	-	33.96

45. Balance confirmation

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

46. Impact of COVID -19

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 31st March 2021. 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 futureeconomic conditions.

47. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 11th June, 2021

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Sharath Bolar
Director
(DIN: 07009701)

Kishore Rane
Partner
Membership No.: 100788

Ramesh Iyer
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: 11th June, 2021

NOTES

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