

# NITCO

TILES MARBLE MOSAICO

29<sup>th</sup> September, 2017

To,

|                                                                                                                                           |                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Service Dept.<br>Bombay Stock Exchange Limited<br>Jeejeebhoy Towers<br>Dalal Street,<br>Mumbai - 400 001<br>Script code: 532722 | ✓ The Listing Department,<br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex, Bandra<br>(E),<br>Mumbai - 400051.<br>Script code: NITCO |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Sub : Submission of Annual Report 2016-17 under Regulation 34 of SEBI (LODR) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosures Regulations) Regulation, 2015, we are submitting the Copy of Annual Report 2016-17 duly approved & adopted in the Annual General Meeting of the Company held on 20<sup>th</sup> September, 2017.

Kindly take the same on record.

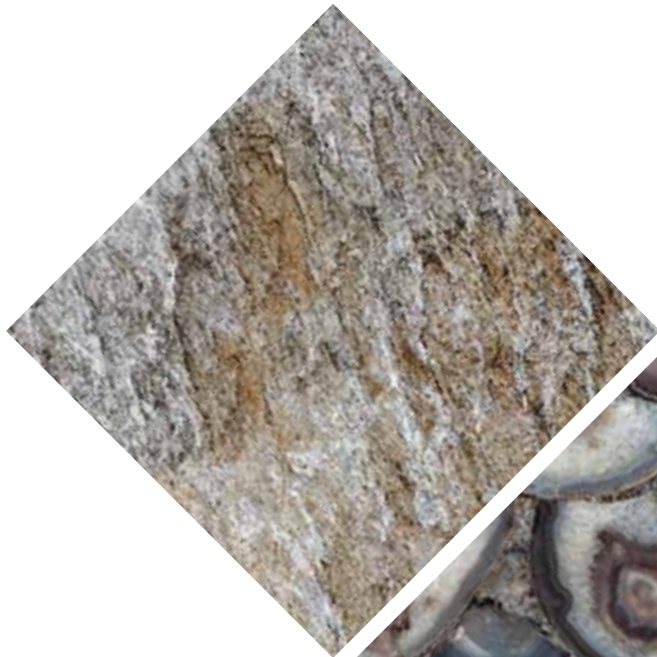
Thanking You,

Yours Faithfully,  
For NITCO Limited



Puneet Motwani  
Company Secretary & Compliance Officer





**NITCO  
LIMITED  
ANNUAL  
REPORT  
2016 - 2017**

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# CORPORATE INFORMATION

## Board of Directors

Mr. Vivek Talwar, Chairman & Managing Director

Mr. Rohan Talwar, Non-Independent Director  
(resigned on February 14, 2017)

Mr. Pradeep Saxena, Independent Director

Mr. Sharath Bolar, Independent Director

Mrs. Bharti Dhar, Independent Director

## Key Managerial Personnel

Mr. Ashok Kumar Goyal, Chief Executive Officer,  
(retired on November 14, 2016)

Mr. Ajith Babu, Chief Executive Officer,  
(appointed on November 14, 2016)

Mr. Bhaskar Borkar, Chief Financial Officer

Mr. Puneet Motwani, Company Secretary and Compliance Officer

## Statutory Auditor

A.Husein Noumanali & Company, Chartered Accountant

## Registrar and Share Transfer Agent

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli, (West),

Mumbai – 400 083

Tel: 022 4918 6000

Fax: 022 4918 6060

E-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## Registered Office

NITCO Limited,

NITCO House, Station Road, Kanjur Marg (East),

Mumbai – 400 042, Maharashtra,

Tel: +91 22 6752 1555

Fax: +91 22 6752 1500

## Works

### Ceramic Tiles Division

Village Shirgaon, Taluka Alibaug, Post Poynad,

District Raigad, Maharashtra – 402 108

### Marble Division

Survey No 176, Village Silli,

Silvassa – 396 230

# About us

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

The Company's equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The promoters held 69.54% of the Company's equity as on March 31, 2017.



## Presence

NITCO is headquartered in Mumbai and possesses a pan-India presence through a wide distribution network comprising approximate 1200 dealers and 5000 retail outlets (at the close of 2016-17).

The Company's manufacturing units are strategically located in multiple states. While its Marble division is located in Silvassa (Dadra and Nagar Haveli), its Ceramic Tiles division is located in Alibaug (Maharashtra), 51% JV for manufacturing Vitrified and Wall Tiles is located in Morbi (Gujarat) and Mosaic Tiles division in Alibaug (Maharashtra).

## Clientele

Apart from catering to domestic demands, the Company enjoys a sizeable client base overseas and exports to Nepal, Turkmenistan, Kenya, South Africa, Belgium, Mauritius, Oman, Argentina, Uganda, Zambia, U.K. , Ethiopia, Tanzania, Seychelles, Netherlands, Qatar, Uganda, Poland, Saudi Arabia, Uganda, U.S.A., Burundi, Australia.

## Innovation at NITCO

NITCO constantly endeavors to give consumers the best by curating designs that are technologically impressive and products that are aesthetically appealing. As far as designer variants with technological innovations are concerned, NITCO is truly the brand to reckon with. Its high definition digital printing technology is a breakthrough in the Indian tile market.

The Digital printing used in our latest offering ensures high-resolution, multilayer printing as fine as nanometer grade on flat as well as curved or textured surfaces. The technology also ensures a uniform, edge-to-edge printing thus creating a seamless look. We use this technology for both vitrified and ceramic-based tiles. Our high abrasion-resistant glaze composition not only gives lifelong protection to the floor but also the perfect aesthetics for one's space.

Taking cue from universal elements, HD digital tiles – like NITCO's Trulife create true to life surfaces. With the use of modern techniques like 8 colour prism printing technology, every surface carved, every texture imprinted exudes nature in its minutest feature. Razor sharp detailing, finest resolution and plethora of sizes take you closer to Mother Nature.

## Certifications

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

NITCO obtained the prestigious Bureau of Indian Standards (BIS) certification for products manufactured at our Alibaug facility.

This certification would enable us to use the well known "ISI" mark on our product /packaging which is synonymous with quality products.

# Key Corporate Highlight for 2016-17

## A. DEMAND GENERATION ACTIVITIES

### I. Architects Meets

We, at NITCO understand the design requirements of architects and their significance in our industry. NITCO focuses on organising multiple Architect Meet's at various regions to increase the awareness of NITCO's products among the architect community.

### II. Dealer Meets

NITCO understands the utmost importance of channel partners and to more concrete our dealerships network, we at NITCO to continuous multi-state Dealers Meets.

### III. Dealer Boys Training program

We believe in Training that Endeavour's the business and to provide training to Dealers Boys is part of it. It majorly helps us believing product, design and quality of NITCO and to make same believe to customer to win over competition.

## B. LAUNCH NITCO PREMIER REWARD PROGRAM FOR DEALERS

First time in Tiles industry NITCO introduced Dealer Reward Scheme on its website portal. Dealers with their individual login enjoy flexibility of program with 'Your reward – Your choice' and enables them of dynamic self tracking to stay updated on Points status. This Comprehensive program Scheme covers Sales of all Products

## C. NITCO LEGENDS HELD AT PATTAYA FOR TOP DEALERS

NITCO strongly believes that their Dealers are not just Channel Partners but a part of family. NITCO Legends is our new Initiative to improve engagement and connect with the Top NITCO dealers, to enhance share of mind and heart and to rebuild the relationship which in turn will rebuild our business.

By creating a differentiated platform for the Top Dealers, make them feel special keep themselves as the members of the top circle by default and also make other dealers desire to be in that circle.



# Over the years...



| Year | Highlights                                                                                                                                                                                                                                                                                                                                                                                                    |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1997 | <ul style="list-style-type: none"> <li>Commissioned the Alibaug ceramic tiles unit</li> </ul>                                                                                                                                                                                                                                                                                                                 |
| 2002 | <ul style="list-style-type: none"> <li>Received the Quality Excellence award for the Alibaug unit from the Institute of Trade and Industrial Development</li> </ul>                                                                                                                                                                                                                                           |
| 2004 | <ul style="list-style-type: none"> <li>Upgraded the Alibaug plant for manufacturing porcelain tiles</li> </ul>                                                                                                                                                                                                                                                                                                |
| 2006 | <ul style="list-style-type: none"> <li>Expansion of ceramic tiles capacity at Alibaug</li> <li>Listed on the BSE and NSE</li> <li>Installed six windmills (7.5 MW) at Dhule (Maharashtra)</li> </ul>                                                                                                                                                                                                          |
| 2007 | <ul style="list-style-type: none"> <li>Launch of the first Le Studio exclusive showrooms</li> <li>Best SAP Project Implementation award from SAP India Ltd</li> <li>Received marble import license by the DGFT for 15,895 MT.</li> <li>Entered real estate development through Nitco Realities (subsidiary) with 100% shareholding</li> <li>Launched exclusive showrooms under the Le Studio brand</li> </ul> |
| 2008 | <ul style="list-style-type: none"> <li>First Construction World award win</li> </ul>                                                                                                                                                                                                                                                                                                                          |
| 2009 | <ul style="list-style-type: none"> <li>Second Construction World award win</li> <li>Added wall tiles to its product portfolio</li> <li>Received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications</li> <li>GAIL commenced RLNG supplies at the Alibaug unit</li> </ul>                                                                                                                        |
| 2010 | <ul style="list-style-type: none"> <li>Set-up a marble processing facility with equipment supplied by Breton S.p.A at Silvassa</li> <li>Launched premium category porcelain tiles under the Naturoc brand</li> </ul>                                                                                                                                                                                          |
| 2011 | <ul style="list-style-type: none"> <li>Commissioned a 5.5 MW cogeneration gas-based power plant at Alibaug</li> <li>Completed the construction of the Biz Park at Thane, spread across 2 lac sq. ft</li> </ul>                                                                                                                                                                                                |
| 2012 | <ul style="list-style-type: none"> <li>Marble processing plant at Silvassa commenced commercial operations</li> <li>Installed automatic pelletiser and polishing line at the ceramic tiles plant at Alibaug</li> </ul>                                                                                                                                                                                        |
| 2013 | <ul style="list-style-type: none"> <li>Ranked 20th among 'Dream companies to work for' by the World HRD Congress</li> <li>Acquired 51% stake in the equity of New Vardhman Vitriified Private Limited</li> </ul>                                                                                                                                                                                              |
| 2014 | <ul style="list-style-type: none"> <li>Commercial production through the joint venture</li> <li>Launched digital wall tiles</li> </ul>                                                                                                                                                                                                                                                                        |
| 2015 | <ul style="list-style-type: none"> <li>Launch of large format GVT tiles from Alibaug factory (196x1200mn, 600x1200mn)</li> </ul>                                                                                                                                                                                                                                                                              |
| 2016 | <ul style="list-style-type: none"> <li>Launch of all GVT tiles from JV (800x800 mn, 600x600 mn &amp; 600x1200mn)</li> </ul>                                                                                                                                                                                                                                                                                   |
| 2017 | <ul style="list-style-type: none"> <li>Launch of NITCO premier loyalty programme</li> </ul>                                                                                                                                                                                                                                                                                                                   |



# Business model

## Distribution network

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

## Brand equity

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

## Asset-light

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

## Multi-segment

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

## Customer-focused

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

# Key corporate strengths

Over 5000 retail outlets mark NITCO's presence in the country. The Company possesses over 1200 direct dealers, backed by 17 depots powering the distribution network. It also operates 13 exclusive showrooms, Le Studio pan-India, for displaying its exquisite range of tiles, mosaico and marble. The Company also has around 67 showrooms operating as franchisees under Le Studio Express (LSE) and 93 franchisees under Nitco Look. Apart from this, NITCO has introduced Shop-in-Shop concept for GVT and Wall Tiles category in the name of GVT Gallore and Wall – Couture.

## Technology

NITCO deploys world-class manufacturing technology with fully-automated production lines enabling the delivery of globally-benchmarked products. Stringent quality standards are also maintained at the marble division with the Breton equipment at Silvassa remaining the only one of its kind in India.

## 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.

## Innovative design

NITCO introduced rectangular wooden strips for the first time in India, reconciling wood textures and colours. The Company also introduced super gloss scratch-proof floor tiles (resistant to dirt and bacteria). Moreover, the Company's 100% matte finish tiles possess anti-skid properties, widening their scope of applicability. NITCO has also ventured into digital tiles, providing attractive and eye-catching designs.

## Our Product Portfolio

| Product     | Portfolio                                                                                                                                            |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Floor Tiles | Ceramic Tiles, Vitrified Tiles – Soluble Salt , Ultra/Double charged, Gres Porcelain Tiles (Naturop), HD Digital Tiles                               |
| Wall Tiles  | HD Digital Tiles – Light, Dark and highlighters                                                                                                      |
| Marble      | Natural Marble, Engineered Marble                                                                                                                    |
| Mosaic      | Signature Collection, Magnum Opus Collection, Décor collection, Solitaire collection, Creust Collection, Frame collection, Steps Risers & Skirtings. |



## Product Launches

“Our new-age collection of tiles is perfect for those who love to experiment with a variety of looks for their home and office. Packed with a combination of high gloss, wood, éclat and satin finish the **Ceramic floor tiles** are fashioned with a unique dazzle to delight each time you step into your home. **The Ceramic wall tiles** sport an exceptional matt, satin and glossy finish radiating an edginess that is guaranteed to last a lifetime.”

This avant-garde collection comprises of three very distinct and innovative tiles inspired from various elements of nature, history and art dedicated to artisans.

**The Skiffer series** captures the power of surfaces, patterns, colours and textures formed by winds, landslides and volcanic rocks. Curated for the first time ever in dimensions of **298x1200 mm and 196x1200 mm**, its mixed size layout for wall and floor makes for a stunning look poised to transform your space dynamically.

Blending style and sophistication into a flawless combination **The Civitas series** is a retina imaging of the Jerash stones, an old civilization of Greeks in Jordan. Breaking away from the monotony with its **600x1200 mm** dimension, this striking creation is a river stone tile designed with large variations to give your space an earthy feel.

Inspired by the combination of wood and stone, NITCO's **Wood collection** defines modern living that is closer to nature, a future trend to look out for in India. The **196x1200 mm** dimension tiles are complete with wood finish. With the introduction of Acasia wood finish this collection brings a calming and soothing effect of being closer to the sea.

Apart from this, the Designer Collection has recreated **Industrial look** with its exquisite metal craft design inspired from the art deco patterns. Accompanying this brigade is the **Artistic collection** inspired by artisans and patterns made from Zardosi, Persian art and Dye painting, an amalgamation of technology and sophistication that reflects an affluent and aristocratic lifestyle.



## DIRECTOR'S REPORT

# DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 51<sup>st</sup> Annual Report with the audited statement of accounts of the Company for the year ended March 31, 2017.

## Financial results

The highlights of the financial results for the year ended March 31, 2017 are as follows:

| For the year ended March 31                         | Standalone |          | Consolidated |          |
|-----------------------------------------------------|------------|----------|--------------|----------|
|                                                     | 2017       | 2016     | 2017         | 2016     |
| Income from Operations                              | 722.80     | 813.34   | 744.87       | 822.49   |
| Profit /(Loss) before interest depreciation and tax | 8.24       | (3.74)   | 25.03        | 20.02    |
| Interest & Financial Charges (Net)                  | (2.58)     | (5.19)   | (7.88)       | (12.07)  |
| Depreciation                                        | (37.98)    | (51.31)  | (49.67)      | (62.54)  |
| Exceptional Items                                   | -          | (2.53)   | -            | (2.53)   |
| Profit/(loss) before tax                            | (32.32)    | (62.77)  | (32.52)      | (57.12)  |
| Provision for tax                                   | -          | -        | 0.32         | (1.20)   |
| Profit/(loss) after tax                             | (32.32)    | (62.77)  | (32.20)      | (58.32)  |
| Minority interest                                   | -          | -        | (0.55)       | (1.85)   |
| Balance brought forward from previous year          | (560.68)   | (497.92) | (558.83)     | (498.40) |
| Balance carried forward                             | (593.00)   | (560.68) | (591.59)     | (558.83) |

(₹ in Crore)

## Review of operation

The Company's business model until FY 2011-12, was predominantly based on outsourcing of tiles from China. Due to sharp depreciation of Indian Rupee against US Dollar during later part of 2011, this model based on imports suddenly became unviable. The Company thereafter took steps to shift the business model to local outsourcing/joint venture arrangement. This sudden change in the model has taken a toll on the financial performance of the Company during the last few years.

Despite several challenges faced by the Company including demonetization, the Company was able to achieve Income from Operations of ₹ 722.80 crore, a decrease of 11.13% over last year. Despite drop in turnover, the Company achieved EBITDA of ₹ 8.24 crore in FY 2016-17 against an EBITDA loss of ₹ 3.74 crore in FY 2015-16. This was made possible due to tight control on costs and the strong brand equity enjoyed by the Company, at a consolidated level, the Company has achieved EBITDA of ₹ 25.03 crore in FY 2016-17 against an EBITDA of ₹ 20.02 crore in FY 2015-16. The management is confident that the strategy now being pursued by the Company is appropriate for achieving the desired result.

Considering the brand equity enjoyed by the Company and the performance of the Company during the current year in a tough environment, and several steps taken for improving the performance of the Company, the management is hopeful of a turnaround in near future. The management therefore believes, it is appropriate to prepare the financial statement on a going concern basis.

## Joint Venture with New Vardhman Vitriified Pvt. Ltd.

As a part of the business strategy, your Company had acquired 51% equity stake in New Vardhman Vitriified Pvt. Ltd (NVVPL) during FY 2011-12. The said company had set up a plant near Morbi, Gujarat for manufacturing 8 million sqmtrs (approximately) of vitrified and wall tiles which commenced production at the last quarter of FY 2012-13. The entire production of this plant is marketed by the Company under its brand name. With this arrangement, Company's dependence on China for tiles sourcing has significantly reduced. NVVPL, in its fourth full year of operation, has achieved Income from Operations of ₹ 151.00 crore, EBITDA of ₹ 17.78 crore and Profit Before Tax of ₹ 0.80 crore. The Company is regular in servicing its commitment to its lenders and has repaid term loan installments of ₹ 47 crore since commencement of its operations.

## Corporate Debt Restructuring

The Company's debts were restructured under Corporate Debt Restructuring (CDR) mechanism effective April 2012. The CDR package included fresh funding commitment by Banks which was not released by them. As per the approved CDR package, certain non-core assets of the Company were to be disposed of which could not materialize due to adverse market conditions. Consequently the Company defaulted on its obligation to its lenders and all CDR lenders have classified the Company's debts as Non Performing Asset (NPA). Consequently, due to failure of the package, the Company has exited from CDR mechanism. Fifteen lenders aggregating approximately 89% of total debt of the Company have assigned their debts to an Asset Reconstruction Company (ARC) as on March 31, 2017.

## 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.

## Indian Accounting Standards (IND AS)

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company and its subsidiaries will adopt “IND AS” with effect from April 1, 2017, with the comparatives for the periods ending March 31, 2017. The Company is taking steps for timely implementation of IND AS.

## Dividend

In view of the losses incurred during the year, your Board is not able to recommend any dividend for the financial year ended March 31, 2017.

## Material Changes

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

## 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 II 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 that of the respective subsidiary companies.

## Internal Control System

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

The Company has in place adequate internal controls commensurate with the size of the Company and nature of its business and the same were operating effectively throughout the year. Internal Audit is carried out by external auditors and periodically covers all areas of business. The Internal Auditors evaluate 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:

- In the preparation of the annual accounts for the year ended March 31, 2017 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;
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and of the loss of the Company for the year ended March 31, 2017;
- 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;
- The annual accounts have been prepared on a going concern basis;
- 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
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Directors

Your attention is invited to the Special Business mentioned in the notice of the Annual General Meeting regarding re-appointment of Mr. Vivek Talwar as Managing Director of the Company for a period of 3 years. The information relating to the same has been given in the Explanatory Statement accompanying the notice.

The Board of Directors have re-appointed Mr. Pradeep Saxena as an Independent Director of the Company for second consecutive term of 3 years subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year under review, the Board of Directors accepted the resignation of Mr. Rohan Talwar from the post of Director w.e.f. February 14, 2017 due to his pre-occupation with his hospitality business overseas.

In accordance with the provisions of the Act, Mr. Vivek Talwar retires by rotation and being eligible offers his candidature for re-appointment as Director.

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

## NITCO LIMITED

### Board Evaluation

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

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

### Key Managerial Personnel

The Company has following Key Managerial Personnel:

| Sr. No. | Name of the person | Designation                            |
|---------|--------------------|----------------------------------------|
| 1       | Mr. Vivek Talwar   | Chairman & Managing Director           |
| 2       | #Mr. Ashok Goyal   | Chief Executive Officer                |
| 3       | *Mr. Ajith Babu    | Chief Executive Officer                |
| 4       | Mr. Bhaskar Borkar | Chief Financial Officer                |
| 5       | Mr. Puneet Motwani | Company Secretary & Compliance Officer |

# Ceased to be the Chief Executive Officer w.e.f. November 14, 2016

\* Appointed as the Chief Executive Officer w.e.f. November 14, 2016

### Corporate Governance

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

### Management Discussion and Analysis

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

### Contracts and Arrangements with Related Parties

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

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

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.nitco.in/investors/nitco-policy.aspx> Your Directors draw attention of the

members to Note 31 & 32 to the standalone financial statement which sets out related party disclosures.

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

The Company has transferred ₹ 0.33 Lacs to Investor Education & Protection Fund (IEPF) during the year under review.

### Corporate Social Responsibility

In view of losses being incurred by the Company, the provisions of Corporate Social Responsibilities under the Act is not applicable.

### Risk and Concern

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

### Public Deposits

The Company has neither accepted nor renewed any deposit from the public within the meaning of Section 73 and 74 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2017.

### Auditors

As per the provisions of section 139 of the Companies Act, 2013, the term of office of M/s A. Husein Noumanali & Co., as Statutory Auditors of the Company will conclude from close of the forthcoming Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s. A. Husein Noumanali & Co. as the Statutory Auditors of the Company.

Subject to approval of Members, the Board of Directors of the Company has recommended the appointment of M/s Nayak & Rane, Chartered Accountants (ICAI Firm Registration Number 117249W) as the Statutory Auditors of the Company pursuant to section 139 of the Companies Act, 2013.

Members attention is drawn to a Resolution proposing the appointment of M/s Nayak & Rane, Chartered Accountants as Statutory Auditors of the Company which is stated in the Notice convening the Annual General Meeting.

### 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.

With regards to the observations from the Statutory Auditors in their report on Standalone Financials of the Company, your directors would like to state that:

**"The Company has not provided for interest on financing facilities amounting to ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) for the year ended March 31, 2017. Had the same been provided, the loss for the year ended March 31, 2017 would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and corresponding bank liabilities would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as at March 31, 2017 and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs)."**

## Management's Comments

As on March 31, 2017, fifteen lenders aggregating approximately 89% of overall debts of the Company had assigned their debts to JM Financial Asset Reconstruction Co Ltd ("JMFARC"). The net worth of the Company had been fully eroded. The Company is pursuing with JMFARC for a viable restructuring package. In view of the uncertainty involved in ultimate outflow of interest, the Company has not provided for unpaid interest.

## Secretarial Audit

The Board has appointed M/s Mayur More & Associates, Practising Company Secretary, to conduct Secretarial audit for FY 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Cost Audit

The Board has 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 FY 2016-17.

## Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Pradeep Saxena (Chairman), Mr. Sharath Bolar and Mr. Vivek Talwar as other members.

## Vigil Mechanism

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.nitco.in/investors/nitco-policy.aspx>.

## Meetings of the Board

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

## Remuneration Policy

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

## 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 website. The company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or

guarantee or security is proposed to be utilized by the recipient are provided in the Note 3, 11, 12 and 37 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 I.

## Extract of Annual Return

Extract of Annual Return (form MGT – 9) of the Company is annexed herewith as Annexure IV to this Report.

## Particulars of Employees and related disclosures

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

In terms of the provisions of rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with 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. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report;
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## Appreciation and acknowledgment

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

## For and on behalf of the Board

### Vivek Talwar

Chairman & Managing Director

DIN 00043180

Mumbai, May 30, 2017

# ANNEXURE I

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

**A) Conservation of Energy**

The company's manufacturing operations are energy intensive. The concern for more efficient utilization and conservation of energy has remained not only in the domain of the top management but has also percolated to the shop floor. Continuous improvements in the manufacturing processes and practices are carried out with one of the objectives of energy conservation.

**B) Technology Absorption**

The state of the art Marble processing plant commenced operations during financial year 2011-12. Major equipment have been imported from leading equipment manufacturers like Breton (Italy), Omis (Italy), Fraccarole E Balzan SPA (Italy) and Matec (Italy). Technology has been fully absorbed. No technology has been imported during the year 2016-17.

**C) Foreign exchange earnings and outgo**

The information on foreign exchange earnings and outgo is furnished in the Notes to the Accounts.

**For and on behalf of the Board**

**Vivek Talwar**

Chairman & Managing Director

DIN 00043180

Mumbai, May 30, 2017

## ANNEXURE II

## Form No - AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules 2014  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

## Part "A" : Subsidiaries

| Part “A” : Subsidiaries                                 |                            |                                   |                           |                                |                            |                          |                             |                              |                        |                                   |                                 |                             |                                |                           | (₹ In Lacs)               |
|---------------------------------------------------------|----------------------------|-----------------------------------|---------------------------|--------------------------------|----------------------------|--------------------------|-----------------------------|------------------------------|------------------------|-----------------------------------|---------------------------------|-----------------------------|--------------------------------|---------------------------|---------------------------|
| Name of Subsidiary Company                              | Nitco Holdings HK Co. Ltd. | New Vardhman Vittrified Pvt. Ltd. | Nitco Realities Pvt. Ltd. | Glamorous Properties Pvt. Ltd. | Opera Properties Pvt. Ltd. | Nitco IT Parks Pvt. Ltd. | Feel Better Housing Pvt Ltd | Maxwealth Properties Pvt Ltd | Nitco Aviation Pvt Ltd | Quick Solution Properties Pvt Ltd | Roaring-Lion Properties Pvt Ltd | Meghdoot Properties Pvt Ltd | Silver Sky Real Estate Pvt Ltd | Ferocity Property Pvt Ltd | Aileen Properties Pvt Ltd |
|                                                         | 31-03-17                   | 31-03-17                          | 31-03-17                  | 31-03-17                       | 31-03-17                   | 31-03-17                 | 31-03-17                    | 31-03-17                     | 31-03-17               | 31-03-17                          | 31-03-17                        | 31-03-17                    | 31-03-17                       | 31-03-17                  | 31-03-17                  |
| Paid up Capital                                         | 0.83                       | 3,438.78                          | 2.00                      | 125.00                         | 5.00                       | 1.00                     | 1.00                        | 1.00                         | 100.00                 | 1.00                              | 1.00                            | 1.00                        | 1.00                           | 1.00                      | 1.00                      |
| Reserves                                                | 4.76                       | 676.66                            | 699.64                    | 259.40                         | (0.25)                     | (0.81)                   | (0.27)                      | (0.25)                       | (0.20)                 | (0.25)                            | (0.25)                          | (0.25)                      | (0.25)                         | (0.07)                    | (0.17)                    |
| Total Assets                                            | 6.01                       | 16,038.74                         | 16,001.00                 | 524.34                         | 368.08                     | 50.33                    | 451.15                      | 334.87                       | 103.71                 | 244.00                            | 138.01                          | 597.86                      | 436.58                         | 394.48                    | 3.37                      |
| Total Liabilities                                       | 0.42                       | 11,923.30                         | 15,299.36                 | 139.94                         | 363.33                     | 50.14                    | 450.43                      | 334.12                       | 3.91                   | 243.25                            | 137.26                          | 597.11                      | 435.83                         | 393.56                    | 2.54                      |
| Investments (except investment in subsidiary companies) | Nil                        | 0.15                              | Nil                       | Nil                            | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | 25.00                             | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| Net Turnover (Incl. other Income)                       | Nil                        | 15,145.58                         | 0.00                      | 242.86                         | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | Nil                               | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| Profit before taxation                                  | Nil                        | 79.94                             | (0.31)                    | (0.23)                         | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | Nil                               | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| Provision for taxation                                  | Nil                        | (32.38)                           | Nil                       | Nil                            | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | Nil                               | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| Profit after taxation                                   | Nil                        | 112.32                            | (0.31)                    | (0.23)                         | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | Nil                               | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| Proposed dividend                                       | Nil                        | Nil                               | Nil                       | Nil                            | Nil                        | Nil                      | Nil                         | Nil                          | Nil                    | Nil                               | Nil                             | Nil                         | Nil                            | Nil                       | Nil                       |
| % of shareholding                                       | 100%                       | 51%                               | 100%                      | 75%                            | 100%                       | 100%                     | 100%                        | 100%                         | 100%                   | 100%                              | 100%                            | 100%                        | 100%                           | 100%                      | 100%                      |

## ANNEXURE III

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Details of material contracts or arrangement or transactions at arm's length basis as on March 31, 2017

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

## For and on behalf of the Board

## Vivek Talwar

Chairman & Managing Director  
DIN 00043180  
Mumbai, May 30, 2017

## ANNEXURE IV

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

## As on the financial year ended on March 31, 2017

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

## I. REGISTRATION AND OTHER DETAILS

|      |                                                                  |                                                                                                                                                                                                                          |
|------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | CIN                                                              | L26920MH1966PLC016547                                                                                                                                                                                                    |
| ii)  | Registration Date                                                | 25/07/1966                                                                                                                                                                                                               |
| iii) | Name of the Company                                              | NITCO Limited                                                                                                                                                                                                            |
| iv)  | Category / Sub Category of the Company                           | Public Company/ Limited by shares                                                                                                                                                                                        |
| v)   | Address of the Registered Office and Contact details             | NITCO House, Station Road,<br>Kanjur Marg (E),<br>Mumbai – 400 042.<br>Tel: +91 22 6752 1555<br>Fax: +91 22 6752 1500                                                                                                    |
| vi)  | Whether listed Company                                           | Yes                                                                                                                                                                                                                      |
| vii) | Name, Address and Contact details of Registrar & Transfer Agents | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg, Vikhroli, (West),<br>Mumbai – 400 083<br>Tel: 022 4918 6000<br>Fax: 022 4918 6060<br>E-mail: mumbai@linkintime.co.in<br>Website: www.linkintime.co.in |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1       | Manufacture of ceramic products                  | 23939                           | 80%                                |
| 2       | Cutting, shaping and finishing of stone          | 23690                           | 20%                                |

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

| Sr. No. | Name and Address of the Company                                                                                                                 | CIN/GLN               | Holding/ Subsidiary / Associate | % of holding | Applicable Section |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|--------------|--------------------|
| 1       | Nitco Realities Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030           | U45201MH2006PTC165337 | Subsidiary                      | 100%         | Section 2(87)      |
| 2       | New Vardhman Vitriified Private Limited<br>Plot no. 2/52, Rupal Industrial Area, Opp.<br>Manahar Dying, Damroli Road,<br>Surat- 394221          | U26933GJ2011PTC066282 | Subsidiary                      | 51%          | Section 2(87)      |
| 3       | Nitco Holding HK Co. Limited<br>Room 2107, 21/F, CC WU Building, 302-<br>308 Hennessy Road, Wanchai, Hong Kong                                  | NA                    | Foreign Subsidiary              | 100%         | Section 2(87)      |
| 4       | Nitco IT Park Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030             | U70109MH2007PTC172768 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 5       | Nitco Aviation Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030            | U93090MH2008PTC184057 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 6       | Meghdoot Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030       | U45201MH2006PTC166528 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 7       | Opera Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030          | U70100MH1996PTC100383 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 8       | Feel Better Housing Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030       | U45400MH2007PTC169306 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 9       | Glamorous Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030      | U70100MH2006PTC159880 | Step down Subsidiary            | 75%          | Section 2(87)      |
| 10      | Roaring - Lion Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030 | U70102MH2007PTC176175 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 11      | Quick-Solution Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030 | U70109MH2007PTC174899 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 12      | Max Wealth Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030     | U45201MH2007PTC174231 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 13      | Ferocity Properties Private Limited.<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030      | U70100MH2003PTC142221 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 14      | Silver-Sky Real Estates Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030   | U70109MH2008PTC181581 | Step down Subsidiary            | 100%         | Section 2(87)      |
| 15      | Aileen Properties Private Limited<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg,<br>Worli, Mumbai- 400030         | U45201MH2011PTC213316 | Step down Subsidiary            | 100%         | Section 2(87)      |

## NITCO LIMITED

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Shareholding

| Category of Shareholders                                                       | No. of Shares held at the beginning of the year [As on April 1, 2016] |             |                 |                   | No. of Shares held at the end of the year [As on March 31, 2017] |             |                 |                   | % Change during the year |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------|-----------------|-------------------|------------------------------------------------------------------|-------------|-----------------|-------------------|--------------------------|
|                                                                                | Demat                                                                 | Physical    | Total           | % of Total Shares | Demat                                                            | Physical    | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>                                                            |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| <b>(1) Indian</b>                                                              |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| a) Individual/ HUF                                                             | 7149657                                                               | -           | 7149657         | 13.07             | 7149657                                                          | -           | 7149657         | 13.07             | 0.00                     |
| b) Central Govt / State Govt(s)                                                | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| c) Banks / FI                                                                  | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| d) Any other                                                                   | 30898407                                                              | 4242        | 30902649        | 56.49             | 30886407                                                         | 4242        | 30890649        | 56.47             | 0.02                     |
| <b>Sub-Total shareholding of Promoter (1)</b>                                  | <b>38048064</b>                                                       | <b>4242</b> | <b>38052306</b> | <b>69.56</b>      | <b>38036064</b>                                                  | <b>4242</b> | <b>38040306</b> | <b>69.54</b>      | <b>(0.02)</b>            |
| <b>(2) Foreign</b>                                                             |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| a) Individuals (Non Resident /Foreign Individuals)                             | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| b) Government                                                                  | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| c) Institutions                                                                | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| d) Foreign Portfolio Investor                                                  | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| e) Any Other (specify)                                                         | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| <b>Sub-Total shareholding of Promoter (2)</b>                                  | <b>-</b>                                                              | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                                                         | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Total of Promoter shareholding (A) = (1) + (2)</b>                          | <b>38048064</b>                                                       | <b>4242</b> | <b>38052306</b> | <b>69.56</b>      | <b>38036064</b>                                                  | <b>4242</b> | <b>38040306</b> | <b>69.54</b>      | <b>(0.02)</b>            |
| <b>B. Public Shareholding</b>                                                  |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| <b>(1) Institutions</b>                                                        |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| a) Mutual Funds                                                                | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| b) Venture Capital Funds                                                       | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| c) Alternate Investment fund                                                   | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| d) Foreign Venture Capital Investors                                           | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| e) Foreign portfolio Investors                                                 | 313287                                                                | -           | 313287          | 0.57              | -                                                                | -           | -               | -                 | (0.57)                   |
| f) FI / Banks                                                                  | -                                                                     | 2585        | 2585            | 0.00              | 72275                                                            | 2585        | 74860           | 0.14              | 0.13                     |
| g) Insurance Companies                                                         | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| h) Provident funds/ Pension Funds                                              | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| i) Others (specify)                                                            | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| <b>Sub Total = (B)(1)</b>                                                      | <b>313287</b>                                                         | <b>2585</b> | <b>315872</b>   | <b>0.58</b>       | <b>72275</b>                                                     | <b>2585</b> | <b>74860</b>    | <b>0.14</b>       | <b>(0.44)</b>            |
| <b>(2) Central Govt. /State Govt. / President of India</b>                     |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| <b>Sub Total = (B)(2)</b>                                                      | <b>-</b>                                                              | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                                                         | <b>-</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>(3) Non-Institutions</b>                                                    |                                                                       |             |                 |                   |                                                                  |             |                 |                   |                          |
| a) i) Individual shareholders holding nominal share capital upto ₹ 1 Lac       | 5130609                                                               | 88364       | 5218973         | 9.54              | 4961287                                                          | 87574       | 5048861         | 9.23              | (0.31)                   |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac | 3587234                                                               | -           | 3587234         | 6.56              | 3204625                                                          | -           | 3204625         | 5.86              | (0.70)                   |
| b) NBFCs Registered with RBI                                                   | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |
| c) Employee Trust                                                              | -                                                                     | -           | -               | -                 | -                                                                | -           | -               | -                 | -                        |

| Category of Shareholders                                      | No. of Shares held at the beginning of the year [As on April 1, 2016] |              |                 |                   | No. of Shares held at the end of the year [As on March 31, 2017] |              |                 |                   | % Change during the year |
|---------------------------------------------------------------|-----------------------------------------------------------------------|--------------|-----------------|-------------------|------------------------------------------------------------------|--------------|-----------------|-------------------|--------------------------|
|                                                               | Demat                                                                 | Physical     | Total           | % of Total Shares | Demat                                                            | Physical     | Total           | % of Total Shares |                          |
| d) Overseas depositories (Holding DRs) (Balancing Figure)     | -                                                                     | -            | -               | -                 | -                                                                | -            | -               | -                 | -                        |
| e) Any other (Specify)                                        | 7522602                                                               | 2351         | 7524953         | 13.76             | 8328335                                                          | 2351         | 8330686         | 15.23             | 1.47                     |
| <b>Sub-total (B)(3)</b>                                       | <b>16240445</b>                                                       | <b>90715</b> | <b>16331160</b> | <b>29.86</b>      | <b>16494247</b>                                                  | <b>89925</b> | <b>16584172</b> | <b>30.32</b>      | <b>0.46</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)</b>    | <b>16553732</b>                                                       | <b>93300</b> | <b>16647032</b> | <b>30.44</b>      | <b>16566522</b>                                                  | <b>92510</b> | <b>16659032</b> | <b>30.46</b>      | <b>0.02</b>              |
| <b>C. Non Promoter / Non Public Shareholding</b>              |                                                                       |              |                 |                   |                                                                  |              |                 |                   |                          |
| a) Custodian/DR Holder                                        | -                                                                     | -            | -               | -                 | -                                                                | -            | -               | -                 | -                        |
| b) Employee Benefit trust                                     | -                                                                     | -            | -               | -                 | -                                                                | -            | -               | -                 | -                        |
| <b>Total Non Promoter/Non Public Shareholding (C) = a + b</b> | <b>-</b>                                                              | <b>-</b>     | <b>-</b>        | <b>-</b>          | <b>-</b>                                                         | <b>-</b>     | <b>-</b>        | <b>-</b>          | <b>-</b>                 |
| <b>Grand Total (A+B+C)</b>                                    | <b>54601796</b>                                                       | <b>97542</b> | <b>54699338</b> | <b>100.00</b>     | <b>54602586</b>                                                  | <b>96752</b> | <b>54699338</b> | <b>100.00</b>     | <b>-</b>                 |

**B) Shareholding of Promoter & Promoter Group**

| Sr. No. | Shareholder's Name                                 | No. of Shares held at the beginning of the year [As on April 1, 2016] |                                  |                                                  | No. of Shares held at the end of the year [As on March 31, 2017] |                                  |                                                  | % change in shareholding during the year |
|---------|----------------------------------------------------|-----------------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                                                    | No. of Shares                                                         | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                                                    | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares |                                          |
| 1       | Aurella Estates and Investments Pvt Ltd            | 25676949                                                              | 46.94                            | 46.94                                            | 25676949                                                         | 46.94                            | 46.94                                            | 0.00                                     |
| 2       | Vivek Prannath Talwar                              | 6323669                                                               | 11.56                            | 11.56                                            | 6323669                                                          | 11.56                            | 11.56                                            | 0.00                                     |
| 3       | Watco Engineering Co. Pvt. Ltd                     | 1616712                                                               | 2.96                             | 0.00                                             | 1616712                                                          | 2.96                             | 0.00                                             | 0.00                                     |
| 4       | Nitco Paints Pvt Ltd                               | 1598299                                                               | 2.92                             | 0.00                                             | 1598299                                                          | 2.92                             | 0.00                                             | 0.00                                     |
| 5       | Anjali Talwar                                      | 543146                                                                | 0.99                             | 0.00                                             | 543146                                                           | 0.99                             | 0.00                                             | 0.00                                     |
| 6       | Prannath Amarnath Talwar                           | 503837                                                                | 0.92                             | 0.00                                             | 503837                                                           | 0.92                             | 0.00                                             | 0.00                                     |
| 7       | Rajeshwari Prannath Talwar                         | 322151                                                                | 0.59                             | 0.00                                             | 322151                                                           | 0.59                             | 0.00                                             | 0.00                                     |
| 8       | Rang Mandir Builders Pvt. Ltd.                     | 280269                                                                | 0.51                             | 0.00                                             | 280269                                                           | 0.51                             | 0.00                                             | 0.00                                     |
| 9       | Ushakiran Builders Pvt Ltd                         | 209417                                                                | 0.38                             | 0.00                                             | 209417                                                           | 0.38                             | 0.00                                             | 0.00                                     |
| 10      | Lavender Properties Pvt Ltd                        | 208072                                                                | 0.38                             | 0.00                                             | 208072                                                           | 0.38                             | 0.00                                             | 0.00                                     |
| 11      | Prakalp Proprties Pvt Ltd                          | 175785                                                                | 0.32                             | 0.00                                             | 175785                                                           | 0.32                             | 0.00                                             | 0.00                                     |
| 12      | Eden Garden Builders Pvt Ltd                       | 156951                                                                | 0.29                             | 0.00                                             | 156951                                                           | 0.29                             | 0.00                                             | 0.00                                     |
| 13      | Lovraj Talwar                                      | 87301                                                                 | 0.16                             | 0.00                                             | 87301                                                            | 0.16                             | 0.00                                             | 0.00                                     |
| 14      | Nitco Tiles And Marble Industries (Andhra) Pvt Ltd | 85517                                                                 | 0.16                             | 0.00                                             | 85517                                                            | 0.16                             | 0.00                                             | 0.00                                     |
| 15      | Sanjnaa Talwar                                     | 85517                                                                 | 0.16                             | 0.00                                             | 85517                                                            | 0.16                             | 0.00                                             | 0.00                                     |
| 16      | Enjoy Builders Pvt Ltd                             | 72646                                                                 | 0.13                             | 0.00                                             | 72646                                                            | 0.13                             | 0.00                                             | 0.00                                     |
| 17      | Poonam Wasan                                       | 74562                                                                 | 0.13                             | 0.00                                             | 62562                                                            | 0.11                             | 0.00                                             | (0.02)                                   |
| 18      | Vivek Prannath Talwar (HUF)                        | 27264                                                                 | 0.05                             | 0.00                                             | 27264                                                            | 0.05                             | 0.00                                             | 0.00                                     |
| 19      | Northern India Tiles Corporation                   | 2240                                                                  | 0.00                             | 0.00                                             | 2240                                                             | 0.00                             | 0.00                                             | 0.00                                     |
| 20      | Northern India Tiles (Sales) Corporation           | 1                                                                     | 0.00                             | 0.00                                             | 1                                                                | 0.00                             | 0.00                                             | 0.00                                     |
| 21      | A N Talwar (HUF)                                   | 2001                                                                  | 0.00                             | 0.00                                             | 2001                                                             | 0.00                             | 0.00                                             | 0.00                                     |
|         | <b>Total</b>                                       | <b>38052306</b>                                                       | <b>69.56</b>                     | <b>58.50</b>                                     | <b>38040306</b>                                                  | <b>69.54</b>                     | <b>58.50</b>                                     | <b>(0.02)</b>                            |

## NITCO LIMITED

### C) Change in Promoters' Shareholding

There was only one change in the Promoters' shareholding by decrease of 12,000 Shares (sold by Ms. Poonam Wasan) i.e. 0.02% of the shareholding in the financial year 2016-17.

### D) Shareholding Pattern of top ten Shareholders

(other than Directors & Promoters)

| Sr. No.   | Name & Type of Transaction      | Shareholding at the beginning of the year - 2016 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2017 |                                  |
|-----------|---------------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|           |                                 | No. of shares held                               | % of total shares of the company | Date of transaction          | No. of shares | No of shares held                                     | % of total shares of the company |
| <b>1.</b> | <b>SANJEEV RAJ KAPOOR</b>       | <b>1200000</b>                                   | <b>2.1938</b>                    | <b>31-Mar-16</b>             |               | <b>1200000</b>                                        | <b>2.1938</b>                    |
|           | Buy                             |                                                  |                                  | 8-Apr-16                     | 825281        | 2025281                                               | 3.7026                           |
|           | Buy                             |                                                  |                                  | 22-Apr-16                    | 25000         | 2050281                                               | 3.7483                           |
|           | Buy                             |                                                  |                                  | 29-Apr-16                    | 5000          | 2055281                                               | 3.7574                           |
|           | Buy                             |                                                  |                                  | 3-Jun-16                     | 4126          | 2059407                                               | 3.7650                           |
|           | Buy                             |                                                  |                                  | 10-Jun-16                    | 5874          | 2065281                                               | 3.7757                           |
|           | <b>At the end of the year</b>   |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>      | <b>2065281</b>                                        | <b>3.7757</b>                    |
| <b>2.</b> | <b>GLOBE CAPITAL MARKET LTD</b> | <b>36625</b>                                     | <b>0.0670</b>                    | <b>31-Mar-16</b>             |               | <b>36625</b>                                          | <b>0.0670</b>                    |
|           | Buy                             |                                                  |                                  | 22-Apr-16                    | 72284         | 108909                                                | 0.1991                           |
|           | Sell                            |                                                  |                                  | 29-Apr-16                    | -2290         | 106619                                                | 0.1949                           |
|           | Sell                            |                                                  |                                  | 6-May-16                     | -904          | 105715                                                | 0.1933                           |
|           | Sell                            |                                                  |                                  | 13-May-16                    | -635          | 105080                                                | 0.1921                           |
|           | Buy                             |                                                  |                                  | 20-May-16                    | 9215          | 114295                                                | 0.2090                           |
|           | Buy                             |                                                  |                                  | 27-May-16                    | 225           | 114520                                                | 0.2094                           |
|           | Buy                             |                                                  |                                  | 3-Jun-16                     | 30            | 114550                                                | 0.2094                           |
|           | Sell                            |                                                  |                                  | 10-Jun-16                    | -475          | 114075                                                | 0.2085                           |
|           | Sell                            |                                                  |                                  | 17-Jun-16                    | -3220         | 110855                                                | 0.2027                           |
|           | Sell                            |                                                  |                                  | 24-Jun-16                    | -904          | 109951                                                | 0.2010                           |
|           | Sell                            |                                                  |                                  | 30-Jun-16                    | -4155         | 105796                                                | 0.1934                           |
|           | Sell                            |                                                  |                                  | 1-Jul-16                     | -38147        | 67649                                                 | 0.1237                           |
|           | Buy                             |                                                  |                                  | 8-Jul-16                     | 147729        | 215378                                                | 0.3937                           |
|           | Buy                             |                                                  |                                  | 15-Jul-16                    | 44742         | 260120                                                | 0.4755                           |
|           | Buy                             |                                                  |                                  | 22-Jul-16                    | 147           | 260267                                                | 0.4758                           |
|           | Sell                            |                                                  |                                  | 29-Jul-16                    | -930          | 259337                                                | 0.4741                           |
|           | Buy                             |                                                  |                                  | 5-Aug-16                     | 2830          | 262167                                                | 0.4793                           |
|           | Sell                            |                                                  |                                  | 12-Aug-16                    | -33885        | 228282                                                | 0.4173                           |
|           | Buy                             |                                                  |                                  | 19-Aug-16                    | 200           | 228482                                                | 0.4177                           |
|           | Buy                             |                                                  |                                  | 26-Aug-16                    | 17382         | 245864                                                | 0.4495                           |
|           | Sell                            |                                                  |                                  | 2-Sep-16                     | -6645         | 239219                                                | 0.4373                           |
|           | Buy                             |                                                  |                                  | 9-Sep-16                     | 296763        | 535982                                                | 0.9799                           |
|           | Buy                             |                                                  |                                  | 16-Sep-16                    | 108178        | 644160                                                | 1.1776                           |
|           | Buy                             |                                                  |                                  | 23-Sep-16                    | 202980        | 847140                                                | 1.5487                           |
|           | Sell                            |                                                  |                                  | 30-Sep-16                    | -45196        | 801944                                                | 1.4661                           |
|           | Buy                             |                                                  |                                  | 7-Oct-16                     | 776737        | 1578681                                               | 2.8861                           |
|           | Buy                             |                                                  |                                  | 14-Oct-16                    | 15578         | 1594259                                               | 2.9146                           |

| Sr. No.   | Name & Type of Transaction                    | Shareholding at the beginning of the year - 2016 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2017 |                                  |
|-----------|-----------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|           |                                               | No. of shares held                               | % of total shares of the company | Date of transaction          | No. of shares | No of shares held                                     | % of total shares of the company |
|           | Sell                                          |                                                  |                                  | 21-Oct-16                    | -12706        | 1581553                                               | 2.8914                           |
|           | Buy                                           |                                                  |                                  | 28-Oct-16                    | 15321         | 1596874                                               | 2.9194                           |
|           | Buy                                           |                                                  |                                  | 4-Nov-16                     | 24052         | 1620926                                               | 2.9633                           |
|           | Sell                                          |                                                  |                                  | 11-Nov-16                    | -464502       | 1156424                                               | 2.1141                           |
|           | Buy                                           |                                                  |                                  | 18-Nov-16                    | 873           | 1157297                                               | 2.1157                           |
|           | Buy                                           |                                                  |                                  | 25-Nov-16                    | 45            | 1157342                                               | 2.1158                           |
|           | Sell                                          |                                                  |                                  | 2-Dec-16                     | -5817         | 1151525                                               | 2.1052                           |
|           | Sell                                          |                                                  |                                  | 9-Dec-16                     | -36113        | 1115412                                               | 2.0392                           |
|           | Buy                                           |                                                  |                                  | 16-Dec-16                    | 400           | 1115812                                               | 2.0399                           |
|           | Buy                                           |                                                  |                                  | 23-Dec-16                    | 295           | 1116107                                               | 2.0404                           |
|           | Sell                                          |                                                  |                                  | 30-Dec-16                    | -3070         | 1113037                                               | 2.0348                           |
|           | Buy                                           |                                                  |                                  | 6-Jan-17                     | 50926         | 1163963                                               | 2.1279                           |
|           | Buy                                           |                                                  |                                  | 13-Jan-17                    | 58084         | 1222047                                               | 2.2341                           |
|           | Buy                                           |                                                  |                                  | 20-Jan-17                    | 69637         | 1291684                                               | 2.3614                           |
|           | Buy                                           |                                                  |                                  | 27-Jan-17                    | 20660         | 1312344                                               | 2.3992                           |
|           | Buy                                           |                                                  |                                  | 3-Feb-17                     | 120115        | 1432459                                               | 2.6188                           |
|           | Buy                                           |                                                  |                                  | 10-Feb-17                    | 7692          | 1440151                                               | 2.6328                           |
|           | Buy                                           |                                                  |                                  | 17-Feb-17                    | 200           | 1440351                                               | 2.6332                           |
|           | Sell                                          |                                                  |                                  | 24-Feb-17                    | -100          | 1440251                                               | 2.6330                           |
|           | Sell                                          |                                                  |                                  | 3-Mar-17                     | -100          | 1440151                                               | 2.6328                           |
|           | Buy                                           |                                                  |                                  | 10-Mar-17                    | 5             | 1440156                                               | 2.6329                           |
|           | Sell                                          |                                                  |                                  | 17-Mar-17                    | -105          | 1440051                                               | 2.6327                           |
|           | Buy                                           |                                                  |                                  | 24-Mar-17                    | 12500         | 1452551                                               | 2.6555                           |
|           | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>440</b>    | <b>1452991</b>                                        | <b>2.6563</b>                    |
| <b>3.</b> | <b>LKP FINANCE LIMITED</b>                    | <b>111565</b>                                    | <b>0.2040</b>                    | <b>31-Mar-16</b>             |               | <b>111565</b>                                         | <b>0.2040</b>                    |
|           | Buy                                           |                                                  |                                  | 30-Sep-16                    | 947465        | 1059030                                               | 1.9361                           |
|           | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             |               | <b>1059030</b>                                        | <b>1.9361</b>                    |
| <b>4.</b> | <b>ASHOK VISHWANATH HIREMATH</b>              | <b>900000</b>                                    | <b>1.6454</b>                    | <b>31-Mar-16</b>             |               | <b>900000</b>                                         | <b>1.6454</b>                    |
|           | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>      | <b>900000</b>                                         | <b>1.6454</b>                    |
| <b>5.</b> | <b>POLARIS BANYAN HOLDING PRIVATE LIMITED</b> | <b>0</b>                                         | <b>0.0000</b>                    | <b>31-Mar-16</b>             |               | <b>0</b>                                              | <b>0.0000</b>                    |
|           | Buy                                           |                                                  |                                  | 29-Apr-16                    | 102384        | 102384                                                | 0.1872                           |
|           | Buy                                           |                                                  |                                  | 6-May-16                     | 149198        | 251582                                                | 0.4599                           |
|           | Buy                                           |                                                  |                                  | 13-May-16                    | 61354         | 312936                                                | 0.5721                           |
|           | Buy                                           |                                                  |                                  | 20-May-16                    | 67072         | 380008                                                | 0.6947                           |
|           | Buy                                           |                                                  |                                  | 27-May-16                    | 67950         | 447958                                                | 0.8189                           |
|           | Buy                                           |                                                  |                                  | 3-Jun-16                     | 98950         | 546908                                                | 0.9998                           |
|           | Buy                                           |                                                  |                                  | 10-Jun-16                    | 93650         | 640558                                                | 1.1711                           |
|           | Buy                                           |                                                  |                                  | 17-Jun-16                    | 63818         | 704376                                                | 1.2877                           |
|           | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>      | <b>704376</b>                                         | <b>1.2877</b>                    |

## NITCO LIMITED

| Sr. No.    | Name & Type of Transaction                    | Shareholding at the beginning of the year - 2016 |                                  | Transactions during the year |                | Cumulative Shareholding at the end of the year - 2017 |                                  |
|------------|-----------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------|----------------|-------------------------------------------------------|----------------------------------|
|            |                                               | No. of shares held                               | % of total shares of the company | Date of transaction          | No. of shares  | No of shares held                                     | % of total shares of the company |
| <b>6.</b>  | <b>SEA GLIMPSE INVESTMENTS PVT LTD</b>        | <b>667245</b>                                    | <b>1.2198</b>                    | <b>31-Mar-16</b>             |                | <b>667245</b>                                         | <b>1.2198</b>                    |
|            | Sell                                          |                                                  |                                  | 29-Jul-16                    | -176022        | 491223                                                | 0.8980                           |
|            | Sell                                          |                                                  |                                  | 5-Aug-16                     | -23978         | 467245                                                | 0.8542                           |
|            | Sell                                          |                                                  |                                  | 9-Sep-16                     | -127203        | 340042                                                | 0.6217                           |
|            | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>       | <b>340042</b>                                         | <b>0.6217</b>                    |
| <b>7.</b>  | <b>NCUBE VENTURES LLP</b>                     | <b>0</b>                                         | <b>0.0000</b>                    | <b>31-Mar-16</b>             |                | <b>0</b>                                              | <b>0.0000</b>                    |
|            | Buy                                           |                                                  |                                  | 22-Apr-16                    | 199705         | 199705                                                | 0.3651                           |
|            | Buy                                           |                                                  |                                  | 17-Jun-16                    | 76096          | 275801                                                | 0.5042                           |
|            | Buy                                           |                                                  |                                  | 5-Aug-16                     | 34199          | 310000                                                | 0.5667                           |
|            | Buy                                           |                                                  |                                  | 23-Sep-16                    | 10000          | 320000                                                | 0.5850                           |
|            | Sell                                          |                                                  |                                  | 10-Mar-17                    | -12808         | 307192                                                | 0.5616                           |
|            | Sell                                          |                                                  |                                  | 24-Mar-17                    | -7192          | 300000                                                | 0.5485                           |
|            | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>       | <b>300000</b>                                         | <b>0.5485</b>                    |
| <b>8.</b>  | <b>RINA JAIN</b>                              | <b>184929</b>                                    | <b>0.3381</b>                    | <b>31-Mar-17</b>             |                | <b>184929</b>                                         | <b>0.3381</b>                    |
|            | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-16</b>             | <b>0</b>       | <b>184929</b>                                         | <b>0.3381</b>                    |
| <b>9.</b>  | <b>ELEPHANT INDIA FINANCE PRIVATE LIMITED</b> | <b>262929</b>                                    | <b>0.4807</b>                    | <b>31-Mar-16</b>             |                | <b>262929</b>                                         | <b>0.4807</b>                    |
|            | Buy                                           |                                                  |                                  | 30-Dec-16                    | 15003          | 277932                                                | 0.5081                           |
|            | Buy                                           |                                                  |                                  | 31-Dec-16                    | 3385           | 281317                                                | 0.5143                           |
|            | Buy                                           |                                                  |                                  | 6-Jan-17                     | 3564           | 284881                                                | 0.5208                           |
|            | Sell                                          |                                                  |                                  | 17-Mar-17                    | -14000         | 270881                                                | 0.4952                           |
|            | Sell                                          |                                                  |                                  | 24-Mar-17                    | -881           | 270000                                                | 0.4936                           |
|            | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>-104797</b> | <b>165203</b>                                         | <b>0.3020</b>                    |
| <b>10.</b> | <b>BHAVANA HOLDINGS PRIVATE LIMITED</b>       | <b>0</b>                                         | <b>0.0000</b>                    | <b>31-Mar-16</b>             |                | <b>0</b>                                              | <b>0.0000</b>                    |
|            | Buy                                           |                                                  |                                  | 13-Jan-17                    | 100000         | 100000                                                | 0.1828                           |
|            | Buy                                           |                                                  |                                  | 27-Jan-17                    | 15210          | 115210                                                | 0.2106                           |
|            | Buy                                           |                                                  |                                  | 3-Feb-17                     | 43385          | 158595                                                | 0.2899                           |
|            | <b>At the end of the year</b>                 |                                                  |                                  | <b>31-Mar-17</b>             | <b>0</b>       | <b>158595</b>                                         | <b>0.2899</b>                    |

### E) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Mr. Vivek Talwar-Managing Director                               | 6323669                                   | 11.56                            | 6323669                                 | 11.56                            |
| 2       | Mr. Pradeep Saxena-Independent Director                          | 0                                         | 0.00                             | 0                                       | 0.00                             |
| 3       | Mr. Sharath Bolar-Independent Director                           | 0                                         | 0.00                             | 0                                       | 0.00                             |
| 4       | Mrs. Bharti Dhar-Independent Director                            | 0                                         | 0.00                             | 0                                       | 0.00                             |
| 5       | Mr. Ajith Babu-Chief Executive Officer                           | 0                                         | 0.00                             | 0                                       | 0.00                             |
| 6       | Mr. Bhaskar Borkar-Chief Financial Officer                       | 71200                                     | 0.13                             | 71200                                   | 0.13                             |
| 7       | Mr. Puneet Motwani- Company Secretary                            | 1                                         | 0.00                             | 1                                       | 0.00                             |

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

(₹ In Crore)

|                                                            | Secured<br>Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|------------------------------------------------------------|-------------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                           |                    |          |                       |
| i) Principal Amount                                        | 1,285.35                                  | -                  | -        | 1,285.35              |
| ii) Interest due but not paid                              | 15.39                                     | -                  | -        | 15.39                 |
| iii) Interest accrued but not due                          | -                                         | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | <b>1,300.74</b>                           | <b>-</b>           | <b>-</b> | <b>1,300.74</b>       |
| <b>Change in Indebtedness during the financial year</b>    |                                           |                    |          |                       |
| * Addition                                                 | -                                         | -                  | -        | -                     |
| * Reduction                                                | 7.34                                      | -                  | -        | 7.34                  |
| <b>Net Change</b>                                          | <b>(7.34)</b>                             | <b>-</b>           | <b>-</b> | <b>(7.34)</b>         |
| <b>Indebtedness at the end of the financial year</b>       |                                           |                    |          |                       |
| i) Principal Amount                                        | 1,278.02                                  | -                  | -        | 1,278.02              |
| ii) Interest due but not paid                              | 15.38                                     | -                  | -        | 15.38                 |
| iii) Interest accrued but not due                          | -                                         | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | <b>1,293.40</b>                           | <b>-</b>           | <b>-</b> | <b>1,293.40</b>       |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A) Remuneration to Managing Director, Whole-time Directors and/or Manager**

(₹ in Lacs)

| Sr.<br>No. | Particulars of Remuneration                                                         | Name of the<br>Managing<br>Director |
|------------|-------------------------------------------------------------------------------------|-------------------------------------|
|            |                                                                                     | <b>Vivek Talwar</b>                 |
| 1          | Gross salary                                                                        |                                     |
|            | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 48.00                               |
|            | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 2.50                                |
|            | (c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961                       | -                                   |
| 2          | Stock Option                                                                        | -                                   |
| 3          | Sweat Equity                                                                        | -                                   |
| 4          | Commission                                                                          | -                                   |
|            | - as % of profit                                                                    |                                     |
|            | - others, specify                                                                   |                                     |
| 5          | Others, please specify                                                              | -                                   |
|            | <b>Total (A)</b>                                                                    | <b>50.50</b>                        |
|            | Ceiling as per the Act                                                              | 60.00                               |

## NITCO LIMITED

### B) Remuneration to other Directors

(₹ in Lacs)

| Sr. No.  | Particulars of Remuneration                    | Name of Directors |                    |                   |                  | Total Amount |
|----------|------------------------------------------------|-------------------|--------------------|-------------------|------------------|--------------|
|          |                                                | Mr. Rohan Talwar* | Mr. Pradeep Saxena | Mr. Sharath Bolar | Mrs. Bharti Dhar |              |
| <b>1</b> | <b>Independent Directors</b>                   |                   |                    |                   |                  |              |
|          | Fee for attending board/ committee meetings    | -                 | 2.35               | 2.35              | 1.35             | 6.05         |
|          | Commission                                     | -                 | -                  | -                 | -                | -            |
|          | Others, please specify                         | -                 | -                  | -                 | -                | -            |
|          | <b>Total (1)</b>                               | -                 | <b>2.35</b>        | <b>2.35</b>       | <b>1.35</b>      | <b>6.05</b>  |
| <b>2</b> | <b>Other Non-Executive Directors</b>           | -                 | -                  | -                 | -                | -            |
|          | Fee for attending board committee meetings     | -                 | -                  | -                 | -                | -            |
|          | Commission                                     | -                 | -                  | -                 | -                | -            |
|          | Others, please specify                         | -                 | -                  | -                 | -                | -            |
|          | <b>Total (2)</b>                               | -                 | -                  | -                 | -                | -            |
|          | <b>Total (B)=(1+2)</b>                         | -                 | <b>2.35</b>        | <b>2.35</b>       | <b>1.35</b>      | <b>6.05</b>  |
|          | <b>Total Managerial Remuneration (A) + (B)</b> | -                 | <b>2.35</b>        | <b>2.35</b>       | <b>1.35</b>      | <b>56.55</b> |

\* Ceased to be Director from February 14, 2017.

### C) Remuneration to Key Managerial Personnel other than MD/Manager/WTG

(₹ in Lacs)

| Sr. No.  | Particulars of Remuneration                                                         | Key Managerial Personnel |               |             |               |
|----------|-------------------------------------------------------------------------------------|--------------------------|---------------|-------------|---------------|
|          |                                                                                     | CEO*                     | CFO           | CS          | Total         |
| <b>1</b> | <b>Gross salary</b>                                                                 |                          |               |             |               |
|          | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 224.47                   | 187.69        | 4.64        | 416.80        |
|          | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 6.32                     | 0.91          | -           | 7.23          |
|          | (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961                        | -                        | -             | -           | -             |
| 2        | Stock Option                                                                        | -                        | -             | -           | -             |
| 3        | Sweat Equity                                                                        | -                        | -             | -           | -             |
| 4        | Commission                                                                          | -                        | -             | -           | -             |
|          | - as % of profit                                                                    | -                        | -             | -           | -             |
|          | others, specify                                                                     | -                        | -             | -           | -             |
| 5        | Others, please specify                                                              | -                        | -             | -           | -             |
|          | <b>Total</b>                                                                        | <b>230.79</b>            | <b>188.60</b> | <b>4.64</b> | <b>424.03</b> |

\*CEO remuneration comprises of remuneration paid to Mr. Ashok Kumar Goyal for the period April 01, 2016 to November 14, 2016 and to Mr. Ajith Babu from November 14, 2016 to March 31, 2017.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments or any compounding of offences during the FY 2016-17.

# ANNEXURE - V

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,  
The Members,

### NITCO LIMITED

NITCO House,  
Station Road,  
Kanjur Marg (East),  
Mumbai – 400 042, Maharashtra,

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, Forms and Returns filed and other record maintained by **NITCO Limited** (**“the Company”**) for the financial year ended March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable);
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (e) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (ii) Secretarial Standard issued by the institute of Company Secretaries of India;

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

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

## NITCO LIMITED

- (e) The Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;
- (f) SEBI (Issue and Listing of Non-convertible Redeemable Preference shares) Regulations, 2013

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

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

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

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

**We further report that** during the audit period the company was not involved in any activity which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guideline, standards, etc. referred to above.

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

**For, Mayur More & Associates**

**Company Secretaries**

**Mayur M More**

**ACS No 35249 COP No. 13104**

Mumbai, May 22, 2017

## ‘ANNEXURE A’

To  
The Members,  
**NITCO Limited**  
NITCO House,  
Station Road,  
Kanjur Marg (East),  
Mumbai – 400 042, Maharashtra,

Dear Sir / Madam,

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

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

**For, Mayur More & Associates**

**Company Secretaries**

**Mayur M More**

**ACS No 35249 COP No. 13104**

Mumbai, May 22, 2017

## ANNEXURE-VI

STATEMENT OF  
Disclosure of Remuneration

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

- I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chairman & Managing Director, Joint Managing Directors, Executive Directors, Company Secretary and CFO during the financial year 2016-17:

| 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 | 12.19:1                                                                    | Nil                                 |
| 2.      | # Mr. Ashok Kumar Goyal | CEO                          | Not Applicable                                                             | Nil                                 |
| 3.      | * Mr. Ajith Babu        | CEO                          | Not Applicable                                                             | Nil                                 |
| 4       | Mr. B. G. Borkar        | CFO                          | Not Applicable                                                             | 7%                                  |
| 5       | Mr. Puneet Motwani      | CS                           | Not Applicable                                                             | 13.45%                              |

# Ceased to be Chief Executive Officer (CEO) of the Company w.e.f. November 14, 2016.

\*Appointed as Chief Executive Officer (CEO) of the Company w.e.f. November 14, 2016.

Note:

- a) 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 eligible employee in the financial year 2016-17                                                                                                                                     | 10%                                                                                                                                                                                                                  |
| 2           | Total number of employees of the Company as on 31st March, 2017 (on Standalone basis)                                                                                                                                            | 1066                                                                                                                                                                                                                 |
| 3           | Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2016-17 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 2016-17 was 12%. Whereas average increase in remuneration of Executive Directors was NIL. |

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

## For and on Behalf of Board

## Vivek Talwar

Chairman & Managing Director

DIN 00043180

Mumbai, May 30, 2017

BE



## MANAGEMENT DISCUSSION & ANALYSIS

# MANAGEMENT DISCUSSION & ANALYSIS

## Global economy

Global ceramic tiles market size is positively influenced by increasing construction expenditure across the globe. Construction sector is witnessing escalating growth particularly in the Asia Pacific countries including China, India and Japan. In 2015, Ceramic tiles are a few of the important materials that are consumed in bulk by their single largest end-user i.e. the construction industry. Hence, positive growth outlook for the construction market in Asia Pacific is estimated to propel the ceramic tiles market in the next few years. Other Key factors driving product demand in Asia Pacific include rise in disposable income of consumers, dense population, increase in government initiatives for infrastructure development and collaboration with foreign investors.

The Floor ceramic tiles segment is estimated to expand at the fastest CAGR in the near future owing to upcoming construction activities across the globe. Superior ceramic floor tiles properties such as high durability and good thermal & shock resistance compared to hardwood will have a positive impact on the industry growth over the forecast timeframe. Furthermore, installation and replacement ease are some of the other properties due to which they are extensively used.

Ceramic wall tiles are projected to witness gains more than 9.5% CAGR by 2024. These are available in several colours and are resistant to sunlight, which helps the tiles to retain their colour without fading for a long period of time and makes them preferred to find application in walls. In addition, they are widely preferred in kitchens, as these are easy to clean and make the kitchen more attractive. Increasing awareness about covering the walls with tiles is likely to boost ceramic tiles market size.

Global ceramic tiles industry is forecast to be fueled by the rising demand for these tiles, especially in the construction industry in Asia Pacific. Product demand is likely to be the largest in the region during the forecast timeframe, owing to the various socio-economic factors such as increasing population, government initiatives for infrastructure & housing development and foreign investments.

High wearing resistance, low maintenance, better moisture resistance and good esthetics are some of the product attributes which makes them desirable to find application in construction. However, stringent environmental regulations and increasing raw materials prices may hamper ceramic tiles market size by 2024.

## Indian economy

India's economic growth slowed for the fourth consecutive quarter in the three months ended March 2017, mirroring the impact of demonetisation on key sectors including construction and financial services. Gross Domestic Product (GDP) growth slowed to 6.1% in the fiscal fourth quarter from 7% in the third, according to data released by Central Statistics Office (CSO).

Economic growth has recovered since 2014 and India has become the fastest-growing G20 economy, with annual growth rates around 7.5%. Private consumption in urban areas has been buoyed by prospects of higher public wages and pensions while government investment and consumption remained strong.

The return to a normal monsoon in 2016, after two consecutive years of bad weather, is supporting a recovery in agricultural income and rural consumption. The demonetisation has impacted consumption and other macroeconomic parameters, at least temporarily. Despite sustained public investment, total investment declined in real terms in the first half of 2016. Exports fell in the second half of 2014 and 2015 as external demand was weak and the real effective exchange rate appreciated.

## Indian ceramic tiles industry

The ceramic tile industry, which has recorded phenomenal growth through value-added products and geographical reach, has the potential to maintain its momentum in the medium term. Despite slowdown in the real estate sector and adverse macroeconomic environment, low per capita consumption of tiles in the country, rapid urbanisation, increasing disposable income of nuclear families, untapped rural market and stable replacement demand is envisaged to augur well for the sector. The number of ambitious programmes launched in the last two years by the Centre, like Smart Cities Mission, Swachh Bharat Abhiyaan (Sanitation for All by 2019), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All by 2022 would act as big push in demand for the ceramic industry in years to come.

The government's decision in March 2016 to impose anti-dumping duty of USD 1.37 per square metre (SQM) on all vitrified tiles imported from China is also provided level playing field to the domestic players, especially in South India.

The implementation of Goods and Service Tax (GST) will also be a welcome change for the ceramic tile industry. GST will create a seamless national market for the organised players, resulting in removal of inter-state barriers and improvement in supply chain. GST will also bring the unorganised segment on a similar platform and reduce the price difference between them and the organised segment.

India has one of the fastest growing ceramic tiles markets in the world. India lags behind Brazil, China and Vietnam which have per capita consumption. This exhibits an exponential growth potential for the industry.

## Outlook

Today, tiles play a major role in defining the look of interior and exterior spaces in India. Customers are shifting to digitally printed tiles which look similar to marble and real wood, due to their aesthetic appeal and comparatively lower price.

In terms of design, Monochrome single phase designs are outdated, Random design phase patterns are in vogue. Designs inspired from earthy elements like stone, slate, marble, nature etc. are in trend. Large format tiles of 600x600 mm, 800x800 mm and 600x1200 mm sizes are especially popular among buyers.

Currently, the most notable trends in floor design revolve around large formats, organic textures and looks that combine rusticity and refinement.

Thanks to the technological innovations today, Ceramic & GVT tiles are available in various colours, textures and finishes. The range in

the market goes from designer or artistic ones, to hand-painted varieties, ones that look like marble and granite.

As far as designer variants are concerned, today, high definition digital printing technology is a breakthrough in the Indian tile market. Digital printing ensures high-resolution, multilayer printing as fine as nanometer grade on flat as well as curved or textured surfaces. The technology also ensures uniform, edge-to-edge printing thus creating a seamless look and can be used for both vitrified and ceramic-based tiles with our brands.

Packed with a combination of high gloss, wood, éclat and satin finish, today, Ceramic & Vitrified floor tiles are fashioned with a unique dazzle to delight each time you step into your home while the Vitrified wall tiles sport an exceptional matt, satin and glossy finish radiating an edginess that is guaranteed to last a lifetime.

Complete with dazzling finishes and innovative prints, gift yourself a luxurious experience this year by transforming your space into a haven of stunning patterns and colour combinations and see your interiors in a completely new avatar.

### Business segment review - Tiles

#### Overview

This segment consists of three products – ceramic floor and wall tiles, vitrified tiles and GVT tiles. The Company's annual tiles production capacity stood at 16 million sq. m as on March 31, 2017.

#### Key highlights, 2016-17

- I Launched 160 SKU's across Ceramic, Wall Tiles & GVT Category.
- II The NITCO Designer Collection is calming yet invigorating, restrained yet expressive, inspired by Nature and civilizations bringing together contrasting elements to create a harmonious feel.
- III Presenting the Skiffer series, the Civitas series & the Wood collection.
- IV A formidable collection with a combination of beauty and durability.
- V Brings together style, resilience and fine finishes into an exquisite product.

#### Outlook

The division expects to expand its product basket through the launch of new, fast-moving products. It also intends to climb the realisations ladder by focusing on higher sales of value-added tiles.

### Business segment review – Marble

#### Overview

In the month of September, 2016 the Indian Government announced a new policy for the import of marble blocks which has far reaching consequences for the development of the marble industry in India. The new liberalised policy, while still maintaining high import duties, at last made it easy for anyone setting up a factory to import marble blocks. Previously, even to import the blocks of marble there had been so many restrictions and conditions that only a select few were able to navigate their way through the bureaucratic maze and obtain license for importing marble. By bringing the import policy under an Open General License (OGL) category, a long standing demand from many stone companies wishing to set up new factories was finally fulfilled.

Being the fastest growing major economy in the world with a vast population and still a long way to go in development, the potential for growth of this industry in India is obvious. The high import duties means that any finished imported marble will end up being in the premium segment of the market. According to expert estimates the total market for marble in India is around 35 million tons per year and out of this imported marble accounts currently accounts for only 0.8 million tons. Under the new policies the market for imported blocks could reach 2 million tons during the next 5 years according to some estimates assuming that 15 to 20% of the market for marble is in the premium segment.

Ivory and beige colours still tend to be the most popular. Whites are also in fashion in keeping with global trends. Imported marble will probably also substitute granite in some way in the local market, especially in the south of the country.

One possible consequence of the new import policy, may well be the disappearance or reduction in purchasing of marble blocks by some companies who previously used to thrive in the controlled business environment where competition was restricted.

#### Key highlights, 2016-17

Eventful year for the business. End of the license era . Increased Import duty. Demonitization and Sluggish Demand, Increased capacity, New Players entering the market .

At Nitco New Display area added in Silvasa plant and also a showroom . Total Warehouse space added 8000 sqmtrs. Showroom area 200 sqmtrs .

Business focus shifted to High Contribution products and retail sales . Improvement in Profit. Marketing efforts directed towards the same. Improved offering and addition of various finish in the product range .

25 New Products added in the year and some old dropped .

#### Outlook

With the opening of the licence the overall business will grow. We can have better capacity utilisation as the material can be freely imported . Competition will be more intense however there may be a slow down with the general demand being on a lower side and with the new propositions of GST and RERA . We shall wait and watch.

### Business segment review - Real estate development

#### Overview

With the new Government at the centre, we have been witnessing series of radical and transformational reforms – Demonetisation, Real Estate Regulator Bill (RERA), FDI relaxations, GST, Benami Transactions (Prohibition) Amendment Act, Change in Accounting standards IFRS – all coming in a row and in quick succession. Obviously, the year 2017 will see the Indian real estate sector to be still more transparent, credible and attractive with only organised players on the ground. With home ownership always being a priority ambition and investment objective for all Indians, these reforms will have very positive implications for the home buyers as well as residential real estate sector.

India is ranked fourth in developing Asia for FDI inflows as per the World Investment Report 2016 by the United Nations Conference for Trade and Development. That is endorsement at the highest levels – and real estate saw equity investment on a very visible return journey to India last year. Indian real estate has attracted

## NITCO LIMITED

\$32 billion in private equity so far. The global capital flow into Indian real estate in 2016 stood at \$5.7 billion. India's Tier-I cities moved up to the 36th rank in JLL's 2016 bi-annual Global Real Estate Transparency Index. The catalysing factors for this were improvements in structural reforms and the more liberalised Foreign Direct Investment (FDI) regime. Increased transparency brings higher investments into such real estate markets.

Throughout 2016, the number of new residential project launches was lower than units sold. With all states staring at the approaching deadline to implement their versions of the Real Estate Regulation & Development Act (RERA), most of them will definitely fall in line. This landmark law will enforce hitherto unprecedented transparency and accountability requirements for developers into the system, and do a lot to increase consumer confidence. Consumer activism, which has already been making news in recent times, will increase in distressed ongoing projects.

Currently, the residential property market is dominated by end-users - speculative investors are making a beeline out of real estate as an investment category. Residential demand is expected to pick up only towards the end of 2017 - but the recovery will be sustainable and based on much sounder market fundamentals than transient sentiment.

### Key highlights, 2016-17

Due to depressed market condition, no real estate sale could materialize during the financial year.

### Information and technology

#### Overview

At NITCO, embracing the latest technology provides us an edge over competitors, enhances productivity, helps expand business operations and facilitates in on-boarding newer customers.

#### Key highlights of FY 2016-17

- I Implemented the SAP compliance pre-requisites for successful migration to GST readiness. This implementation, which was executed in various phases, helped to achieve the necessary tax procedure compliance and SAP patch upgradation of the SAP system.
- II Successfully implemented new ERP solution for Marble business, which offered complete coverage of all business processes and MIS and readiness to GST migration.
- III Successfully extended the Mobile App 'TURBO' for the Business Development team, which offered automation of the regular business development activities and online tracking of the team's performance and helped to improve productivity & effectiveness of the team through systematic process of Monthly Journey Planning and Daily Call Reporting.
- IV Successfully managed the business requirements and process enhancements with the help of SAP customization and process automation using various software systems.
- V Reduced the IT operations maintenance cost through cost optimization solutions and process controls.

### Human capital

#### Overview

As on March 31, 2017, NITCO had 1066 employees on its payroll. With employees spread across regions and factories at Alibaug, Silvassa and Morbi. NITCO continues to stay well connected with its employees and enjoys cordial employee / industrial relations across all manufacturing units and regional sales offices.

#### Key highlights, 2016-17

- I Additional manpower was recruited in sales and sales support functions in line with the business need of expanding our reach to customers/influencers.
- II Manpower deployment across critical functions was reviewed with the objective to enhance employee productivity.
- III The second phase of the sales training initiative called "SPARK" was organized in April & May 2016 for our frontline sales force PAN India in order to reinforce the importance of product knowledge and upskill our sales force.
- IV A new initiative to connect with our regional teams PAN India was initiated by Corporate HR to provide employees a platform to raise their concerns and resolve issues which are within the company's policy framework.
- V In house functional and Product knowledge trainings were organized at regular intervals at the Alibaug and Silvassa plants in order to sharpen existing skill levels of employees for optimizing production.
- VI Regular factory visits and Inductions were organized for all new joiners to smoothen their transition into the NITCO family.
- VII Hiring of trainees from reputed institutes with Masters in Management continued as part of NITCO's Young Leaders Development Program.
- VIII Employee engagement activities through sports tournaments, Quizzes, festival celebrations and CSR activities continued to be undertaken under the aegis of Nitcotine.
- IX Communication through our quarterly e-magazine - "Xpressions" continued this year too giving updates about all the recent events in the company and connecting with colleagues across the country.
- X NITCO successfully completed its external surveillance audit by TUV Nord in July 2016 for IMS (ISO 9001, 14001 and OHSAS 18001) thereby setting a higher benchmark to advance our systems and processes for the coming year.

#### Financial review

Due to challenging environment, NITCO's Income from Operations declined by 11.13% from ₹ 813.34 crore in 2015-16 to ₹ 722.80 crore in 2016-17.

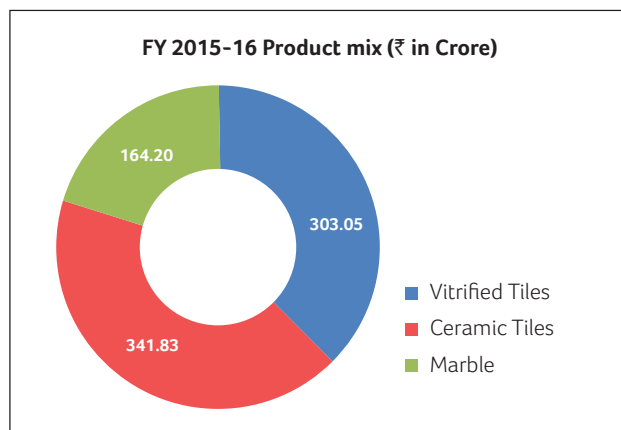
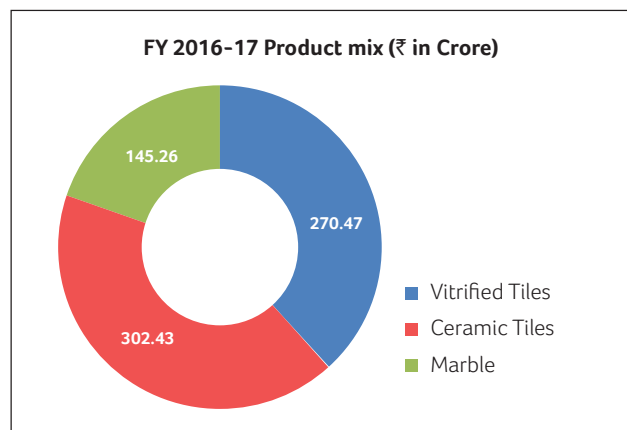
Due to sluggish economic scenario in India and depressed Real Estate market, the company could not get the desirable price for its Real Estate assets and hence the sale has been deferred.

# Annual Report 2016–2017

Statutory Report

Financial Statements

## The Product Mix of sales for last 2 years

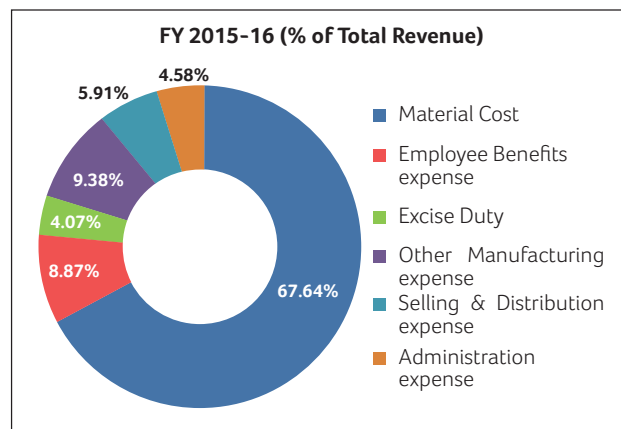
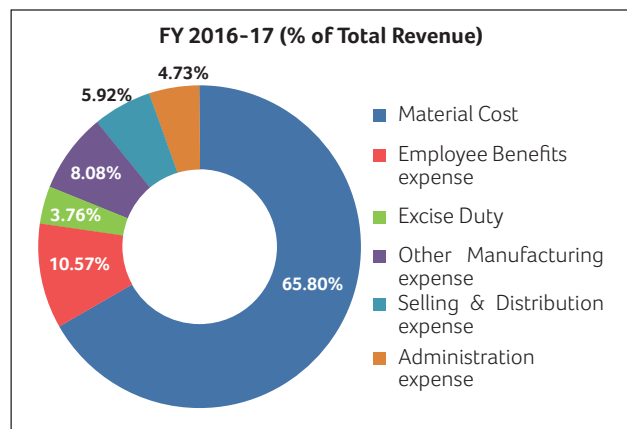


## EBITDA & Expense

Despite reduction in Income from Operations by 11.13%, the Company achieved EBITDA positive of ₹ 8.24 crore in FY 2016-17 against an EBITDA loss of ₹ 3.74 crore in FY 2015-16 due to strict focus on costs. The various expenses head for FY 2015-16 and FY 2016-17 and a percentage of Total Revenue are as follows:

| Particulars                                        | (₹ in Lacs) |                    |           |                    |
|----------------------------------------------------|-------------|--------------------|-----------|--------------------|
|                                                    | 2016 - 17   | % of Total Revenue | 2015 - 16 | % of Total Revenue |
| Material Cost                                      | 47,649.36   | 65.80%             | 55,074.56 | 67.64%             |
| Employee Benefits expense                          | 7,654.31    | 10.57%             | 7,222.09  | 8.87%              |
| Excise Duty                                        | 2,721.54    | 3.76%              | 3,312.89  | 4.07%              |
| Other Manufacturing, Repair & Maintenance expenses | 5,854.45    | 8.08%              | 7,640.86  | 9.38%              |
| Selling & Distribution expense                     | 4,284.30    | 5.92%              | 4,814.71  | 5.91%              |
| Administration expense                             | 3,425.01    | 4.73%              | 3,732.71  | 4.58%              |
| Total expenses                                     | 71,588.97   | 98.86%             | 81,797.82 | 100.46%            |
| EBITDA                                             | 824.27      | 1.14%              | (373.84)  | (0.46%)            |

- Material Cost as a percentage to Total Revenue has decreased by 1.84% points as compared to FY 2015-16
- Employee Benefit Expense has increased by 5.98% in FY 2016-17 and due to drop in sales, the percentage to Total Revenue has increased by 1.70% points.
- Other Manufacturing expense has reduced substantially in FY 2016-17 by 23.38% as compared to FY 2015-16.
- Selling & Distribution expense have reduced in FY 2016-17 as the Company has shifted to making direct sales from its factory wherein the freight cost is directly borne by the dealer.
- Administration Expense has reduced due to various cost cutting measures undertaken by the Company; the percentage to Total Revenue has increased in FY 2016-17 as the Sales have reduced.



## NITCO LIMITED

### Finance costs

Due to uncertainties in the ultimate outflow of interest, the company has not provided for unpaid interest to its CDR lenders after the classification of Company's accounts as Non Performing Assets (NPA) by the respective banks. Had the interest been provided at contracted rates, the interest for the year ended March 31, 2017 would have been higher by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and corresponding bank liabilities would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as at March 31, 2017 and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs).

### Equity share capital

The Company's equity share capital is stated at ₹ 5,469.93 Lacs as of March 31, 2017.

### Borrowings

The total debt of the Company is as under:

| (₹ in Lacs)                                        |                    |                   |
|----------------------------------------------------|--------------------|-------------------|
| Particulars                                        | 2016-17            | 2015-16           |
| Long term borrowings                               | 45,702.23          | 63,726.46         |
| Current maturity shown under "Current Liabilities" | 72,280.05          | 54,905.22         |
| Short term borrowings                              | 11,357.41          | 11,442.40         |
| <b>Total Debt</b>                                  | <b>1,29,339.69</b> | <b>130,074.08</b> |

The debt has reduced due to repayment of ₹734.39 Lacs made to the lenders during the year.

### Working Capital

- Inventory has reduced from ₹ 18,082.14 Lacs as at March 31, 2016 to ₹ 17,565.44 Lacs as at March 31, 2017;
- Inventory – Real Estate has marginally increased from ₹ 17,959.09 Lacs as at March 31, 2016 to ₹ 17,972.77 Lacs as at March 31, 2017;
- Trade receivables have reduced from ₹ 15,436.15 Lacs as at March 31, 2016 to ₹ 14,005.31 Lacs as at March 31, 2017;
- Trade payables have reduced from ₹ 17,666.06 Lacs as at March 31, 2016 to ₹ 15,741.57 Lacs as at March 31, 2017.

### Capital Expenditure

Need based Capital Expenditure was incurred during the year which has resulted in Gross Block increasing by ₹ 879.35 Lacs.

### 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.

### Business slowdown risk

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

### Mitigation

The Company has emerged as a one-stop shop for tile solutions,

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

### Foreign Exchange Risk

A weaker Indian currency is a threat to importers.

### Mitigation

The Company has shifted its dependence from Chinese imports to indigenous sourcing. A very small portion of the Company's turnover is still accounted by imports from China as per the requirement of its clients. The Company covers its foreign exchange exposure; selling the products at margin-plus-actual landed cost basis. The Company generally finalises the price negotiation of products with client before actual imports take place.

### Fuel cost risk

Rising gas prices could impact profitability.

### Mitigation

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

### Competition risk

Increasing competition can have an impact on margins.

### Mitigation

Competition from the unorganised sector is expected to decline with rising consolidation, effected by organised players partnering with unbranded players (with low-cost manufacturing expertise) as a part of their cost-efficient expansion strategy. NITCO possesses such a joint venture with New Vardhman Vittrified Private Limited, with a 51% stake. Introduction of GST will improve the competitive position of the organized players.

### Technology or software obsolescence risk

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

### Mitigation

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

### Client attrition risk

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

### Mitigation

Providing post-sale services to retail customers and offering guidance programs for institutional customers have been an integral part of Company's initiatives to reinforce relationships.

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The Company also customises products to cater to specific requirements. Some of its brand-enhancing customers include Reliance Retail, Prestige, Rahejas, Godrej, Oberoi Construction, DLF, L&T, Mantri Group, Lodha Group, KKR, B G Shirke etc among others.

### Human resource risk

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

### Mitigation

NITCO has initiated various measures such as deploying strategic talent management system, training and integration of learning

activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.

### Dealer attrition risk

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

### Mitigation

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

## Five Year Financials (Consolidated)

|                                                 | (₹ in Crore) |          |          |          |          |
|-------------------------------------------------|--------------|----------|----------|----------|----------|
|                                                 | 2016-17      | 2015-16  | 2014-15  | 2013-14  | 2012-13  |
| Share capital                                   | 54.70        | 54.70    | 54.70    | 54.70    | 32.60    |
| Share application money                         | -            | -        | -        | -        | 28.00    |
| Reserves and surplus                            | (185.49)     | (152.73) | (92.26)  | 35.50    | 211.24   |
| Minority Interest                               | 19.72        | 19.17    | 17.33    | 16.22    | 16.03    |
| Loan funds                                      | 1,334.01     | 1,351.13 | 1,336.48 | 1,298.01 | 1,221.56 |
| Other long-term liabilities                     | 3.08         | 3.71     | 3.53     | 45.47    | 44.19    |
| Gross block                                     | 1,032.63     | 1,023.54 | 1,026.71 | 1,022.02 | 1,011.05 |
| Net block                                       | 625.48       | 665.63   | 712.34   | 781.83   | 817.95   |
| Capital work-in-progress                        | 2.97         | 2.96     | 6.41     | 9.64     | 6.94     |
| Non-current investments                         | 0.25         | 0.25     | 0.25     | 0.26     | 0.26     |
| Non-current assets                              | 56.32        | 56.07    | 56.39    | 58.19    | 52.35    |
| Current assets other than Real Estate           | 487.63       | 506.52   | 475.66   | 510.16   | 518.23   |
| Current assets - Real Estate                    | 299.80       | 299.66   | 298.91   | 306.09   | 306.52   |
| Current liabilities                             | 219.28       | 227.45   | 202.69   | 190.15   | 123.66   |
| Net current assets                              | 568.15       | 578.73   | 571.87   | 626.10   | 701.08   |
| Deferred tax liabilities (Net)                  | 27.15        | 27.66    | 27.49    | 26.12    | 24.95    |
| Net Sales of products                           | 740.23       | 818.23   | 866.71   | 809.32   | 801.06   |
| Other operating & non-operating income          | 6.50         | 5.76     | 5.00     | 4.42     | 4.16     |
| Material cost                                   | 416.17       | 464.41   | 487.32   | 446.09   | 501.48   |
| Excise duty                                     | 29.11        | 33.79    | 32.28    | 33.33    | 28.89    |
| Power & Fuel cost                               | 83.20        | 93.57    | 135.77   | 129.30   | 68.25    |
| Employee benefit expense                        | 81.41        | 77.66    | 74.25    | 70.72    | 70.90    |
| Other manufacturing, Repairs & Maintenance Cost | 30.93        | 47.55    | 35.63    | 31.76    | 21.71    |
| Administration, Selling & Distribution expense  | 80.90        | 86.98    | 102.28   | 112.64   | 151.93   |
| EBITDA                                          | 25.02        | 20.02    | 4.17     | (11.83)  | (36.30)  |
| Finance cost                                    | 7.88         | 12.07    | 50.31    | 150.05   | 154.05   |
| EBDT                                            | 17.14        | 7.94     | (46.14)  | (161.88) | (190.35) |
| Depreciation and amortization expense           | 49.67        | 62.54    | 69.78    | 47.43    | 42.18    |
| Exceptional items                               | -            | 2.53     | -        | -        | -        |
| PBT                                             | (32.53)      | (57.12)  | (115.91) | (209.31) | (232.53) |
| Tax expense                                     | (0.32)       | 1.20     | 2.30     | 1.57     | 4.86     |
| Share of Minority Interest                      | 0.55         | 1.85     | 1.11     | 0.18     | (1.75)   |
| PAT                                             | (32.75)      | (60.18)  | (119.33) | (211.06) | (235.64) |
| Net worth                                       | (130.79)     | (98.03)  | (37.56)  | 90.20    | 271.84   |
| Capital employed                                | 953.38       | 1,003.98 | 1,048.36 | 1,169.94 | 1,272.06 |
| EPS (₹)                                         | (5.99)       | (11.00)  | (21.82)  | (38.59)  | (72.28)  |
| Book value (₹)                                  | (23.91)      | (17.92)  | (6.87)   | 16.49    | 83.39    |

## Our Contribution to National Ex-chequer (Standalone)

|                                   | (₹ in Crore)  |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                   | 2016-17       | 2015-16       | 2014-15       | 2013-14       | 2012-13       |
| <b>Contribution to Ex-Chequer</b> |               |               |               |               |               |
| Excise Duty/Service Tax           | 74.93         | 86.69         | 85.60         | 71.58         | 51.19         |
| Custom Duty                       | 16.52         | 13.91         | 17.79         | 12.90         | 21.19         |
| Sales tax/Octroi                  | 37.57         | 48.87         | 48.02         | 53.33         | 83.49         |
| <b>Total</b>                      | <b>129.02</b> | <b>149.47</b> | <b>151.41</b> | <b>137.82</b> | <b>155.87</b> |



# REPORT ON CORPORATE GOVERNANCE

# REPORT ON CORPORATE GOVERNANCE

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

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

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

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

## 2. BOARD OF DIRECTORS

As on March 31, 2017, the Company's Board consisted of four members including 3 Independent Directors. The Board is responsible for the management of the affairs of the Company's businesses.

### (i) Composition

The details of composition and Directorship held in other companies / Board committees by each member of the Board of Directors of the Company as on March 31, 2017 are as under:

| Sr. No. | Name of the Director/DIN No.        | Category<br>(Independent/ Non Executive / Executive) | Number of Directorships held in other Companies | Number of Board Committee Memberships/Chairmanships held in other Companies |              |
|---------|-------------------------------------|------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------|--------------|
|         |                                     |                                                      |                                                 | Memberships                                                                 | Chairmanship |
| 1       | Mr. Vivek Talwar<br>DIN: 00043180   | Executive Director                                   | 18                                              | -                                                                           | -            |
| 2       | *Mr. Rohan Talwar<br>DIN: 03405064  | Non-Executive and Non Independent Director           | 17                                              | -                                                                           | -            |
| 3       | Mr. Pradeep Saxena<br>DIN: 00288321 | Non-Executive and Independent Director               | 9                                               | -                                                                           | -            |
| 4       | Mr. Sharath Bolar<br>DIN: 07009701  | Non-Executive and Independent Director               | 1                                               | -                                                                           | -            |
| 5       | Mrs. Bharti Dhar<br>DIN: 00442471   | Non-Executive and Independent Director               | 1                                               | -                                                                           | -            |

\* Ceased to be a Director with effect from February 14, 2017.

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

### (ii) Director's Profile

**Mr. Vivek Talwar**, son of Late Mr. Pran Nath Talwar and aged 60 years, is the Managing Director of your Company. He has a rich experience of over 36 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. Pradeep Saxena**, aged 69 years, joined the Company as Director in 2012. His career spans thirty years in International Banking and five years in Information Technology. He was President of e-Funds International from 2000 to 2003. Earlier he was Managing Director and CEO, South Asia Region of ING Barings and Executive Director with Merrill Lynch International. Starting his career with Grindlays Bank, he has worked in senior management positions for the Gulf International Bank, the American Express Bank and Grindlays Bank in the US, UK, Europe, the Gulf and India. Mr. Saxena is a Consultant and Specialist Advisor engaged primarily with SMEs and Start-ups for advice on Corporate Strategy, Corporate Governance, Management and Business Development. He is a member of the Advisory Board of Sheffield Haworth India. Among his assignments, he serves as the Executive Director of The Indian Institute for Human Settlements (IIHS), a prospective independent national university for Innovation, initiative which has been established by a group of publically-minded citizens. He has a Bachelor's Degree in Economics and a Master's in Management Sciences, from the University of Bombay. He is a Fellow of the Institute of Financial Services, London.

**Mr. Sharath Bolar**, aged 66 years, joined the Company in the year 2014. Mr. Sharath Bolar has 36 years of success in Project Management, Plant Operation, System Implementation. Mr. Bolar has completed B.Sc. (Hons) First Class in Chemistry from Bombay University. He Retired from service with Everest Industries Ltd, Delhi as Vice President (Development) in the year 2012.

**Mrs. Bharti Dhar**, joined the Company as Director 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 27 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. Eighteen 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.

**(iii) Details of Shareholding of Directors as on March 31, 2017**

| Sr. No. | Name of the Director | No. of Shares |
|---------|----------------------|---------------|
| 1       | Mr. 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       | Mr. Vivek Talwar     | 4                          | 4                              | Yes                           |
| 2       | *Mr. Rohan Talwar    | 4                          | 1                              | No                            |
| 3       | Mr. Pradeep Saxena   | 4                          | 4                              | Yes                           |
| 4       | Mr. Sharath Bolar    | 4                          | 4                              | Yes                           |
| 5       | Mrs. Bharti Dhar     | 4                          | 4                              | Yes                           |

\* Ceased to be a Director with effect from February 14, 2017

Meetings of the Board of Directors were held on May 30, 2016, August 1, 2016, November 14, 2016 and February 14, 2017.

The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company at [www.nitco.in](http://www.nitco.in)

**(v) Independent Directors Meeting**

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

One meeting of Independent Director was held during the year on February 14, 2017.

**(vi) Evaluation Criteria**

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

### 3. COMMITTEES OF THE BOARD

**(i) Audit Committee**

The Audit Committee of the Board of Directors is constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with the Stock Exchanges and presently consists of Managing Director and two Independent Directors. The role of the Audit Committee is to provide directions and to oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as may be required in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with the Stock Exchanges.

Section 177 of Companies Act, 2013, and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have expanded the terms of reference of the Audit Committee. The additional terms of reference for Audit Committee include:

- (i) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (ii) approval or any subsequent modification of transactions of the company with related parties;
- (iii) scrutiny of inter-corporate loans and investments;
- (iv) valuation of undertakings or assets of the company, wherever it is necessary.

**Meetings and Attendance**

| Sr. No. | Name of the Director                                                   | No. of Board Meetings held | No. of Board Meetings attended |
|---------|------------------------------------------------------------------------|----------------------------|--------------------------------|
| 1       | Mr. Pradeep Saxena - Chairman - Non-Executive and Independent Director | 4                          | 4                              |
| 2       | Mr. Vivek Talwar - Managing Director                                   | 4                          | 4                              |
| 3       | Mr. Sharath Bolar - Non-Executive and Independent Director             | 4                          | 4                              |

Meetings of the Audit Committee of the Board of Directors were held on May 30, 2016, August 1, 2016, November 14, 2016 and February 14, 2017.

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

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

**(ii) Stakeholders Relationship Committee**

The composition and attendance of each member at the meetings held during the year ended March 31, 2017 is as follows:

**Meetings and Attendance**

| Sr. No. | Name of the Director                                                    | No. of Board Meetings held | No. of Board Meetings attended |
|---------|-------------------------------------------------------------------------|----------------------------|--------------------------------|
| 1       | Mr. Sharath Bolar - Chairman - Non - Executive and Independent Director | 4                          | 4                              |
| 2       | Mr. Vivek Talwar - Managing Director                                    | 4                          | 4                              |
| 3       | Mr. Pradeep Saxena - Non - Executive and Independent Director           | 4                          | 4                              |

Meetings of the Stakeholders Relationship Committee of Board of Directors were held on May 30, 2016, August 1, 2016, November 14, 2016 and February 14, 2017. The Company has received no complaints during the year under review. There were no complaints of Shareholders pending as on March 31, 2017.

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

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

**(iii) Nomination and Remuneration Committee**

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

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

The members of the committee are:

| Sr. No. | Name of the Director                                                |
|---------|---------------------------------------------------------------------|
| 1       | Mr. Pradeep Saxena-Chairman- Non-Executive and Independent Director |
| 2       | Mr. Sharath Bolar - Non-Executive and Independent Director          |
| 3       | *Mr. Rohan Talwar- Non-Executive Director                           |
| 4       | #Mrs. Bharti Dhar - Non-Executive and Independent Director          |

\*Ceased to be a Director w.e.f. February 14, 2017.

#joined the Committee w.e.f. November 14, 2016.

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

#### Meetings and Attendance

| Sr. No. | Name of the Director                                                | No. of Board Meetings held | No. of Board Meetings attended |
|---------|---------------------------------------------------------------------|----------------------------|--------------------------------|
| 1       | Mr. Pradeep Saxena-Chairman- Non-Executive and Independent Director | 3                          | 3                              |
| 2       | Mr. Sharath Bolar- Non-Executive and Independent Director           | 3                          | 3                              |
| 3       | Mr. Rohan Talwar- Non Executive Director                            | 3                          | 1                              |
| 4       | Mrs. Bharti Dhar - Non-Executive and Independent Director           | 3                          | 2                              |

Meetings of the Committee were held on May 30, 2016, November 14, 2016 and February 14, 2017.

#### (iv) Corporate Social Responsibility Committee

Currently in view of the losses incurred by the Company, the provisions of Section 135 of the Companies Act relating to Corporate Social Responsibility are not applicable to the Company.

### 4. REMUNERATION OF DIRECTORS

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

The details of remuneration to Directors for the year ended March 31, 2017 are as under:

| Sr. No. | Name of Directors  | Category                   | Salary | Perquisites and other benefits | Commission | Sitting fees | Total |
|---------|--------------------|----------------------------|--------|--------------------------------|------------|--------------|-------|
| 1       | * Mr. Vivek Talwar | Managing Director          | 48.00  | 2.50                           | -          | -            | 50.50 |
| 2       | Mr. Pradeep Saxena | Independent Director       | -      | -                              | -          | 2.35         | 2.35  |
| 3       | #Mr. Rohan Talwar  | Non - Independent Director | -      | -                              | -          | -            | -     |
| 4       | Mr. Sharath Bolar  | Independent Director       | -      | -                              | -          | 2.35         | 2.35  |
| 5       | Mrs. Bharti Dhar   | Independent Director       | -      | -                              | -          | 1.35         | 1.35  |

\*In view of the losses incurred by the Company, the Managing Director's remuneration is restricted within the limits prescribed under the Companies Act, 2013.

# Ceased to be a Director with effect from February 14, 2017.

Tenure of the Managing Director was for three years from April 1, 2014 to March 31, 2017. Accordingly, the Board in its meeting held on February 14, 2017, has decided to re-appoint Mr. Vivek Talwar as the Managing Director of the company for further period of 3 years commencing from April 1, 2017 to March 31, 2020, subject to Shareholders approval at the Annual General Meeting.

None of the Directors hold any instrument convertible to shares.

**Criteria for payment to Independent Directors:** At present, the Company pays only sitting fees to Independent Directors for the Board/Committee meetings they attend.

### 5. SUBSIDIARY COMPANIES

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

- Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.
- All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.
- All significant transactions and arrangements entered into by the subsidiary company are placed before the Audit Committee.

### 6. DISCLOSURES

#### (i) Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 31 & 32 to the Standalone Financial Statements forming part of this Annual Report.

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

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

### (ii) **Compliances by the Company**

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

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

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at [www.nitco.in](http://www.nitco.in).

### (iv) **CEO / CFO certification**

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

### (v) **Accounting treatment**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention, except for the non-provision of interest on borrowing as described in note no. 38 of the Financial Statements.

### (vi) **Whistle Blower Policy**

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

## 7. MEANS OF COMMUNICATION

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

## 8. SHAREHOLDER'S INFORMATION

- (i) The **Annual General Meeting** is scheduled to be held on Wednesday, September 20, 2017 at 11.00 a.m., M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai – 400 001.
- (ii) **Financial year:** The Company follows April-March as its financial year.

**(iii) General Body Meeting**

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

| Financial Year | Date               | Day       | Time       | Location                                                                                                               | Whether passed any Special Resolution |
|----------------|--------------------|-----------|------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 2015-16        | September 21, 2016 | Wednesday | 11.00 a.m. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai – 400 001 | Yes#                                  |
| 2014-15        | September 21, 2015 | Friday    | 11.00 a.m. | Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018                                          | No                                    |
| 2013-14        | September 19, 2014 | Friday    | 11.00 a.m. | Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018                                          | Yes*                                  |

# Adoption of new set of Articles of Association

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

\* Approval For Increase of Borrowing Power

\* Approval For Creation Of Charge/ Providing of Security

**(iv) Date of book closure:** September 13, 2017 to September 20, 2017 (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 Bombay Stock Exchange Limited. The Company has paid listing fees to the stock exchanges for the FY 2017-18.

**(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, 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

**(ix) Market Price Data at BSE and NSE**

| Month         | BSE   |       | NSE   |       |
|---------------|-------|-------|-------|-------|
|               | High  | Low   | High  | Low   |
| April '16     | 45.45 | 39.00 | 45.50 | 38.20 |
| May '16       | 47.00 | 39.50 | 47.00 | 39.50 |
| June '16      | 67.80 | 39.00 | 67.75 | 37.65 |
| July '16      | 70.50 | 60.00 | 70.60 | 60.40 |
| August '16    | 67.35 | 53.95 | 67.30 | 53.70 |
| September '16 | 90.30 | 55.40 | 90.15 | 55.45 |
| October '16   | 84.45 | 69.50 | 84.40 | 69.85 |
| November '16  | 74.00 | 42.50 | 74.00 | 42.00 |
| December '16  | 57.40 | 45.15 | 57.85 | 45.20 |
| January '17   | 65.45 | 52.00 | 65.80 | 51.95 |
| February '17  | 67.95 | 57.50 | 67.80 | 56.10 |
| March '17     | 60.00 | 52.25 | 60.80 | 52.00 |

## NITCO LIMITED

### (x) Shareholding pattern as on March 31, 2017

| Category                      | No. of shares held | Percentage of total Shareholding |
|-------------------------------|--------------------|----------------------------------|
| <b>Promoter's holding</b>     |                    |                                  |
| Promoters & Promoters' group  | 38040306           | 69.54                            |
| <b>Sub-total (A)</b>          | <b>38040306</b>    | <b>69.54</b>                     |
| <b>Public shareholding</b>    |                    |                                  |
| Financial Institutions/ Banks | 74860              | 0.14                             |
| Non-Institutions              | 8253486            | 15.09                            |
| Others                        | 8330686            | 15.23                            |
| <b>Sub-total (B)</b>          | <b>16659032</b>    | <b>30.46</b>                     |
| <b>Grand total (A+B)</b>      | <b>54699338</b>    | <b>100.00</b>                    |

### (xi) Distribution of shareholding as on March 31, 2017

| No. of equity shares | No. of share holders | Percentage of Shareholders | No. of shares held | Percentage of Shareholding |
|----------------------|----------------------|----------------------------|--------------------|----------------------------|
| 1 - 500              | 12741                | 83.70                      | 1814652            | 3.32                       |
| 501 - 1000           | 1237                 | 8.13                       | 1046493            | 1.91                       |
| 1001 - 2000          | 609                  | 4.00                       | 950750             | 1.74                       |
| 2001 - 3000          | 192                  | 1.26                       | 494933             | 0.91                       |
| 3001 - 4000          | 99                   | 0.65                       | 356292             | 0.65                       |
| 4001 - 5000          | 88                   | 0.58                       | 417542             | 0.76                       |
| 5001 - 10000         | 114                  | 0.75                       | 854366             | 1.56                       |
| 10001 and above      | 142                  | 0.93                       | 48764310           | 89.15                      |
| <b>Total</b>         | <b>15222</b>         | <b>100.00</b>              | <b>54699338</b>    | <b>100.00</b>              |

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

### (xii) Transfer of Unclaimed / Unpaid Dividend

The Company shall be transferring the unclaimed / unpaid dividends as mentioned hereunder 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.

The tentative schedule for unclaimed dividend to be transferred to Investors Education and Protection Fund is as under:

| For the Financial Year | Due date for transfer to the Central Government |
|------------------------|-------------------------------------------------|
| 2010-11                | November 3, 2018                                |

Members who have not encashed their Dividend Warrants for the above financial year may approach the Company for obtaining duplicate Dividend Warrants/Revalidation of Dividend Warrants.

### (xiii) Unclaimed shares (Equity shares in the Suspense Account)

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

| Securities    | Balance as on April 1, 2016 |               | Shareholders who approached the Registrar and Shares transferred in their favour during the year |               | Balance as on March 31, 2017 |               |
|---------------|-----------------------------|---------------|--------------------------------------------------------------------------------------------------|---------------|------------------------------|---------------|
|               | 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.

### (xiv) Nomination facility

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

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

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

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

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

**For and on behalf of the Board**

**Vivek Talwar**

Chairman & Managing Director

DIN: 00043180

Mumbai, May 30, 2017

# Declaration

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the stock exchanges, I hereby confirm and declare that all the Board of Directors and the senior management personnel of the Company have affirmed compliance with the 'Code of Conduct for Board Members and Senior Management' laid down for them for the financial year ended March 31, 2017.

**For and on behalf of the Board**

**Vivek Talwar**

Chairman & Managing Director

DIN: 00043180

Mumbai, May 30, 2017

## Auditor's Certificate on Corporate Governance

To,

The Members,

**NITCO Limited**

We have examined the compliance of conditions of Corporate Governance procedures implemented by NITCO Limited for the year ended March 31, 2017, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 A. Husein Noumanali & Co.**

Chartered Accountants

Firm Registration No. 107173W

**A. Husein Noumanali**

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

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

To,

The Board of Directors,

**NITCO Limited**

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 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**

Chairman & Managing Director

DIN: 00043180

Mumbai, May 30, 2017

**Ajith Babu**

Chief Executive Officer

**Bhaskar Borkar**

Chief Financial Officer



**FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF NITCO LIMITED

### Report on the Standalone Financial Statement

1. We have audited the accompanying standalone financial statements of NITCO Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, **except** for the matters illustrated and described in the **Basis for Qualified Opinion** herein below, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2017;
  - ii. in the case of the statement of profit and loss, of the Loss for the year ended on that date; and
  - iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Basis for Qualified Opinion

9. **The Company has not provided for interest on financing facilities amount to ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) for the year ended March 31, 2017. Had the same been provided, the loss for the year ended March 31, 2017 would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and corresponding bank liabilities would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as at March 31, 2017 and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs)**

### Emphasis of Matter

10. a) Financial Statements has been prepared on a going concern basis. The Company has incurred a net loss of ₹ 3,232.36 Lacs (previous year ₹ 6,276.64 Lacs) during the year ended March 31, 2017 and the Company's net worth has been fully eroded as

at the balance sheet date. The appropriateness of the going concern basis is inter alia dependent on the Company's ability to turnaround the operations of the Company and ability of infusing requisite funds for meeting its obligations and rescheduling of debts.

- b) Note no. 38 to the financial statements relating to status of Corporate Debt Restructuring (CDR).
- c) The dues to banks / lenders are subject to reconciliation.

**Report on other Legal and Regulatory Requirements**

11. 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 (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements except for non provision of interest (refer point 9 above) comply with the Accounting Standards specified under Section 133 of the Act.;
  - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B;
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its standalone statements – Refer Note 37.
    - (ii) The Company has made provisions as at March 31, 2017 as required under the applicable law or accounting standards, for foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
    - (iv) The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during period from November 8, 2016 to December 30, 2016 as on basis of the information available with the Company. Based on the audit procedures performed and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. – Refer Note 36.

**For A. Husein Noumanali & Co.**

Chartered Accountants

Firm Registration No. 107173W

**(A. Husein Noumanali)**

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

# Annexure A to Independent Auditors' Report

Referred to in Paragraph 11 of the Independent Auditors' Report of even date to the members of NITCO Limited on the standalone financial statements as of and for the year ended March 31, 2017.

- i.
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) In our opinion and according to the information and explanation, given to us and on the basis of an examination of records of the Company, the title deeds of immovable properties are held in the name of the Company except for one immoveable property which amounts to gross block of ₹ 145.66 Lacs and net block of ₹ 136.63 Lacs whose title deed is not held in the name of the Company.
- ii. The inventory (excluding stock with third parties) has been verified during the year by the Management. In respect with the inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. According to the information and explanation given to us, the Company has not granted any loan to Companies, firms or other parties covered under section 189 of the Companies Act 2013 except interest free loans and advances to its subsidiaries company. The maximum amount outstanding at any time during the year is ₹ 17,175.98 Lacs and the balance as on the Balance Sheet date is also the same.
  - (a) In our opinion since the advance has given to its subsidiaries, it is not prejudicial to the interest of the Company.
  - (b) There is no repayment schedule and loans and advances are repayable on demand.
  - (c) In respect of the loans granted by the Company, the same are repayable on demand and therefore the question of overdue amount does not arise.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- vi. Pursuant to the 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 accords 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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income Tax and Service Tax, and is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise, valued added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

(₹ in Lacs)

| Name of the Statute      | Nature of the dues | Forum                                                              | Amount   | Year to which amount relates             |
|--------------------------|--------------------|--------------------------------------------------------------------|----------|------------------------------------------|
| Central Excise Act, 1944 | Excise Duty        | Commissioner Central Excise & Customs.                             | 124.08   | Various years from FY 2006-07 to 2015-16 |
|                          |                    | Customs, Excise & Service Tax Appellate Tribunal, (CESTAT), Mumbai | 1,917.08 | Various years from FY 2006-07 to 2015-16 |
| Customs Act, 1962        | Customs Duty       | Customs, Excise & Service Tax Appellate Tribunal, (CESTAT), Mumbai | 345.37   | Various years from FY 2004-05 to 2013-14 |

(₹ in Lacs)

| Name of the Statute  | Nature of the dues | Forum                                        | Amount   | Year to which amount relates             |
|----------------------|--------------------|----------------------------------------------|----------|------------------------------------------|
| Sales Tax/ VAT       | VAT                | Jt Commissioner of Sales Tax, Maharashtra    | 1,084.20 | Various years from FY 2007-08 to 2010-11 |
|                      |                    | Dy. Commissioner of Sales tax, Maharashtra   | 5.68     | FY 2012-13                               |
|                      |                    | Additional Commissioner, Uttar Pradesh       | 27.95    | FY 2013-14                               |
|                      |                    | Jt Commissioner, Revision Board, West Bengal | 69.93    | FY 2009-10 to 2013-2014                  |
|                      |                    | Dy. Commissioner of Sales tax, Tamil Nadu    | 10.64    | FY 2006-07 to 2009-2010                  |
|                      |                    | Tribunal, Karnataka                          | 6.74     | FY 2009-10                               |
| Income Tax Act, 1961 | Income Tax         | High Court, Mumbai                           | 30.64    | Block 1987-1997                          |
|                      |                    | Commissioner of Income Tax (Appeal)          | 33.73    | Penalty for block 1987-1997              |

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to financial institution and banks as at the balance sheet date as under:

The period of default ranges around 24-36 months.

(₹ in Crore)

| Name of the Institutions                       | Overdue Principal as on March 31, 2017 | Overdue Interest as on March 31, 2017 | Total Overdue as on March 31, 2017 |
|------------------------------------------------|----------------------------------------|---------------------------------------|------------------------------------|
| State bank of India (Assigned to JMFARC*)      | 134.15                                 | 104.66                                | 238.81                             |
| State bank of Hyderabad (Assigned to JMFARC*)  | 29.57                                  | 35.92                                 | 65.49                              |
| IDBI Bank (Assigned to JMFARC*)                | 30.60                                  | 33.16                                 | 63.76                              |
| Corporation Bank (Assigned to JMFARC*)         | 25.49                                  | 28.02                                 | 53.51                              |
| Indian Overseas Bank (Assigned to JMFARC*)     | 14.50                                  | 16.39                                 | 30.89                              |
| Lakshmi Vilas Bank (Assigned to JMFARC*)       | 16.09                                  | 12.27                                 | 28.36                              |
| Dena Bank (Assigned to JMFARC*)                | 9.44                                   | 10.15                                 | 19.59                              |
| Exim Bank (Assigned to JMFARC*)                | 9.43                                   | 10.08                                 | 19.51                              |
| LIC of India                                   | 8.06                                   | 6.50                                  | 14.56                              |
| Vijaya Bank (Assigned to JMFARC*)              | 13.04                                  | 12.76                                 | 25.80                              |
| State Bank of Mysore (Assigned to JMFARC*)     | 6.56                                   | 7.78                                  | 14.34                              |
| State Bank of Patiala (Assigned to JMFARC*)    | 6.22                                   | 7.31                                  | 13.53                              |
| Catholic Syrian Bank (Assigned to JMFARC*)     | 18.96                                  | 17.85                                 | 36.81                              |
| State Bank of Travancore (Assigned to JMFARC*) | 11.68                                  | 12.70                                 | 24.38                              |
| Punjab National Bank (Assigned to JMFARC*)     | 256.72                                 | 167.52                                | 424.24                             |
| Syndicate Bank                                 | 63.60                                  | 47.62                                 | 111.22                             |
| DBS Bank                                       | 0.80                                   | 0.03                                  | 0.83                               |
| Tata Capital Ltd. (Assigned to JMFARC*)        | 1.00                                   | -                                     | 1.00                               |
| <b>Total</b>                                   | <b>655.91</b>                          | <b>530.72</b>                         | <b>1,186.63</b>                    |

\*JMFARC refers to JM Financial Assets Reconstruction Company Private Limited

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are 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. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

## Annual Report 2016–2017

Statutory Report

Financial Statements

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

### **For A. Husein Noumanali & Co.**

Chartered Accountants

Firm Registration No. 107173W

### **(A. Husein Noumanali)**

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

# Annexure B to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of NITCO Limited on the standalone financial statements for the year ended March 31, 2017.

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of NITCO Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

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

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

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### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For A. Husein Noumanali & Co.

Chartered Accountants

Firm Registration No. 107173W

### (A. Husein Noumanali)

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

## BALANCE SHEET

as at March 31, 2017

(₹ in Lacs)

| Particulars                             | Note | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------|------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>        |      |                         |                         |
| <b>1 Shareholders' funds</b>            |      |                         |                         |
| (a) Share capital                       | 1    | 5,469.93                | 5,469.93                |
| (b) Reserves and surplus                | 2    | (18,891.55)             | (15,659.19)             |
| <b>Total Shareholders' Funds</b>        |      | <b>(13,421.62)</b>      | <b>(10,189.26)</b>      |
| <b>2 Non-current liabilities</b>        |      |                         |                         |
| (a) Long-term borrowings                | 3    | 45,702.23               | 63,726.46               |
| (b) Deferred tax liabilities (Net)      |      | 2,034.84                | 2,034.84                |
| (c) Long-term liabilities & provisions  | 4    | 183.79                  | 236.09                  |
| <b>Total Non-Current Liabilities</b>    |      | <b>47,920.86</b>        | <b>65,997.39</b>        |
| <b>3 Current liabilities</b>            |      |                         |                         |
| (a) Short-term borrowings               | 5    | 11,357.41               | 11,442.40               |
| (b) Trade payables                      | 6    | 15,741.57               | 17,666.06               |
| (c) Other current liabilities           | 7    | 75,293.95               | 57,977.88               |
| (d) Short-term provisions               | 8    | 177.91                  | 184.59                  |
| <b>Total Current Liabilities</b>        |      | <b>1,02,570.84</b>      | <b>87,270.93</b>        |
| <b>TOTAL - Equity &amp; Liabilities</b> |      | <b>1,37,070.08</b>      | <b>1,43,079.06</b>      |
| <b>II. ASSETS</b>                       |      |                         |                         |
| <b>1 Non-current assets</b>             |      |                         |                         |
| (a) Fixed Assets                        | 9    |                         |                         |
| (i) Tangible assets                     |      | 53,430.54               | 56,352.67               |
| (ii) Capital work-in-progress           |      | 195.38                  | 194.42                  |
| <b>Total Fixed Assets</b>               |      | <b>53,625.92</b>        | <b>56,547.09</b>        |
| (b) Non-current investments             | 11   | 2,735.36                | 2,735.36                |
| (c) Long-term loans and advances        | 12   | 18,908.63               | 18,883.83               |
| <b>Total Non-Current Assets</b>         |      | <b>21,643.99</b>        | <b>21,619.19</b>        |
| <b>2 Current Assets</b>                 |      |                         |                         |
| (a) Inventories                         | 13   | 17,565.44               | 18,082.14               |
| (b) Inventories - Real Estate           | 14   | 17,972.77               | 17,959.09               |
| (c) Trade receivables                   | 15   | 14,005.31               | 15,436.15               |
| (d) Cash and cash equivalents           | 16   | 1,571.05                | 1,869.51                |
| (e) Short-term loans and advances       | 17   | 4,720.17                | 5,120.13                |
| (f) Other current assets                | 18   | 5,965.43                | 6,445.76                |
| <b>Total Current Assets</b>             |      | <b>61,800.17</b>        | <b>64,912.78</b>        |
| <b>TOTAL - Assets</b>                   |      | <b>1,37,070.08</b>      | <b>1,43,079.06</b>      |

As per our Report of even date

For and on behalf of the Board of Directors

**For A. Husein Noumanali & Co.**  
Chartered Accountant  
Firm Registration No. 107173W

**Vivek Talwar**  
Chairman & Managing Director  
DIN 00043180

**Pradeep Saxena**  
Director  
DIN 00288321

**Sharath Bolar**  
Director  
DIN 07009701

**Bharti Dhar**  
Director  
DIN 00442471

**A. Husein Noumanali**  
Proprietor, Membership No 14757  
Mumbai, May 30, 2017

**Ajith Babu**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Lacs)

| Particulars                                                                  | Note | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>I. Revenue From Operations</b>                                            |      |                              |                              |
| Sale of products                                                             | 19   | 74,951.19                    | 85,161.14                    |
| Less: Sales Tax                                                              |      | 3,134.75                     | 4,253.22                     |
| <b>Net sales of products</b>                                                 |      | <b>71,816.44</b>             | <b>80,907.92</b>             |
| Other operating revenues                                                     |      | 463.12                       | 425.58                       |
| <b>Net Sales</b>                                                             |      | <b>72,279.56</b>             | <b>81,333.50</b>             |
| <b>II. Other income</b>                                                      |      | 133.68                       | 90.48                        |
| <b>III. Total Revenue (I + II)</b>                                           |      | <b>72,413.24</b>             | <b>81,423.98</b>             |
| <b>IV. Expense</b>                                                           |      |                              |                              |
| Cost of materials consumed                                                   | 20   | 16,688.71                    | 19,319.74                    |
| Purchases of stock-in-trade                                                  |      | 31,456.05                    | 36,145.36                    |
| Changes in inventories of finished goods work-in-progress and stock-in-trade | 21   | (495.40)                     | (390.54)                     |
| Excise Duty                                                                  |      | 2,721.54                     | 3,312.89                     |
| Employee benefits expense                                                    | 22   | 7,654.31                     | 7,222.09                     |
| Finance costs                                                                | 23   | 258.19                       | 519.10                       |
| Depreciation and amortization expense                                        | 9    | 3,798.44                     | 5,130.87                     |
| Other expenses                                                               | 24   | 13,563.76                    | 16,188.28                    |
| <b>Total Expenses</b>                                                        |      | <b>75,645.60</b>             | <b>87,447.79</b>             |
| <b>V. Loss before exceptional items and tax (III-IV)</b>                     |      | <b>(3,232.36)</b>            | <b>(6,023.81)</b>            |
| VI. Exceptional items                                                        | 33   | -                            | 252.83                       |
| <b>VII. Loss before tax (V - VI)</b>                                         |      | <b>(3,232.36)</b>            | <b>(6,276.64)</b>            |
| <b>VIII. Tax expense:</b>                                                    |      |                              |                              |
| (1) Current tax                                                              |      | -                            | -                            |
| (2) Deferred tax                                                             |      | -                            | -                            |
| <b>IX. Loss for the year</b>                                                 |      | <b>(3,232.36)</b>            | <b>(6,276.64)</b>            |
| X. Earnings per equity share:                                                |      |                              |                              |
| (1) Basic                                                                    |      | (5.91)                       | (11.47)                      |
| (2) Diluted                                                                  |      | (5.91)                       | (11.47)                      |

As per our Report of even date

For **A. Husein Noumanali & Co.**  
Chartered Accountant  
Firm Registration No. 107173W

**A. Husein Noumanali**  
Proprietor, Membership No 14757  
Mumbai, May 30, 2017

For and on behalf of the Board of Directors

**Vivek Talwar**  
Chairman & Managing Director  
DIN 00043180

**Ajith Babu**  
Chief Executive Officer

**Pradeep Saxena**  
Director  
DIN 00288321

**Bhaskar Borkar**  
Chief Financial Officer

**Sharath Bolar**  
Director  
DIN 07009701

**Bharti Dhar**  
Director  
DIN 00442471

**Puneet Motwani**  
Company Secretary

## CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in Lacs)

| Particulars                                                                                                   | As at March 31, 2017 |                 | As at March 31, 2016 |                   |
|---------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------|-------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                 |                      |                 |                      |                   |
| Profit Before Tax                                                                                             |                      | (3,232.36)      |                      | (6,276.64)        |
| Adjustments for:                                                                                              |                      |                 |                      |                   |
| Depreciation and amortisation expense (net)                                                                   | 3,798.44             |                 | 5,130.87             |                   |
| (Profit) / loss on sale / write off of assets (net)                                                           | 5.63                 |                 | 11.34                |                   |
| Finance costs (net)                                                                                           | 245.78               |                 | 376.02               |                   |
| Net unrealised exchange (gain) / loss                                                                         | 12.41                |                 | 143.08               |                   |
|                                                                                                               |                      | 4,062.26        |                      | 5,661.31          |
| Operating Profit Before Working Capital Changes                                                               |                      | 829.90          |                      | (615.33)          |
| Changes in working capital:                                                                                   |                      |                 |                      |                   |
| Adjustments for (increase) / decrease in operating assets:                                                    |                      |                 |                      |                   |
| Inventories                                                                                                   | 503.02               |                 | 347.67               |                   |
| Trade receivables                                                                                             | 1,430.84             |                 | (3,260.44)           |                   |
| Loans and advances                                                                                            | 371.10               |                 | (537.36)             |                   |
| Other current assets                                                                                          | 553.29               |                 | 827.85               |                   |
| Margin Money held with Bank                                                                                   | 28.86                |                 | (15.21)              |                   |
| Other non-current assets                                                                                      | (24.79)              |                 | 20.07                |                   |
|                                                                                                               | 2,862.32             |                 | (2,617.42)           |                   |
| Adjustments for increase / (decrease) in operating liabilities:                                               |                      |                 |                      |                   |
| Trade payables and Other current liabilities                                                                  | (1,990.66)           |                 | 1,823.80             |                   |
| Other non-current liabilities                                                                                 | (51.57)              |                 | 5.26                 |                   |
|                                                                                                               | (2,042.23)           |                 | 1,829.06             |                   |
|                                                                                                               |                      | 820.09          |                      | (788.36)          |
| Cash Generated From Operations                                                                                |                      | 1,649.99        |                      | (1,403.69)        |
| Direct Taxes Paid (net of refund of taxes)                                                                    |                      | (72.96)         |                      | 34.26             |
| <b>Net Cash Flow From Operating Activities (A)</b>                                                            |                      | <b>1,577.03</b> |                      | <b>(1,369.43)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                 |                      |                 |                      |                   |
| Capital expenditure on fixed assets (net) (after adjustment of increase/decrease in capital work-in-progress) | (882.90)             |                 | (483.70)             |                   |
|                                                                                                               |                      | (882.90)        |                      | (483.70)          |
| <b>Net Cash Flow Used In Investing Activities (B)</b>                                                         |                      | <b>(882.90)</b> |                      | <b>(483.70)</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                 |                      |                 |                      |                   |
| Net increase / (decrease) in other than short-term borrowings                                                 | (649.40)             |                 | (786.14)             |                   |
| Net increase / (decrease) in short-term borrowings                                                            | (84.99)              |                 | 3,261.83             |                   |
| Advance to Subsidiary/Related Companies                                                                       | (0.01)               |                 | (48.17)              |                   |
| Finance costs (Net)                                                                                           | (245.78)             |                 | (376.02)             |                   |
|                                                                                                               |                      | (980.18)        |                      | 2,051.50          |
| <b>Net Cash Flow From / (Used In) Financing Activities (C)</b>                                                |                      | <b>(980.18)</b> |                      | <b>2,051.50</b>   |
| <b>Net Increase in Cash And Cash equivalents (A+B+C)</b>                                                      |                      | <b>(286.05)</b> |                      | <b>198.37</b>     |

(₹ in Lacs)

| Particulars                                                                                                                                        | As at March 31, 2017 |                 | As at March 31, 2016 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------|
| Cash and cash equivalents at the beginning of the year                                                                                             |                      | 1,869.51        | 1,814.22             |
| Effect of exchange differences on restatement of foreign currency cash and cash equivalents                                                        |                      | (12.41)         | (143.08)             |
| <b>Cash and Cash equivalents at the end of the year</b>                                                                                            |                      | <b>1,571.05</b> | <b>1,869.51</b>      |
| Cash and cash equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 16 [Refer Footnote (ii)]               |                      | 1,571.05        | 1,869.51             |
| Footnotes:                                                                                                                                         |                      |                 |                      |
| (i) The consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements. |                      |                 |                      |
| (ii) Cash and cash equivalents at the end of the year comprises:                                                                                   |                      |                 |                      |
| (a) Cash on hand                                                                                                                                   |                      | 3.55            | 20.45                |
| (b) In current accounts                                                                                                                            |                      | 1,566.49        | 1,847.72             |
| (c) In earmarked accounts - Unpaid dividend accounts                                                                                               |                      | 1.01            | 1.34                 |
|                                                                                                                                                    |                      | <b>1,571.05</b> | <b>1,869.51</b>      |
| (iii) Previous year's figures have been regrouped to confirm with those of the current year.                                                       |                      |                 |                      |

As per our Report of even date

For and on behalf of the Board of Directors

For **A. Husein Noumanali & Co.**

Chartered Accountant

Firm Registration No. 107173W

**Vivek Talwar**

Chairman &amp; Managing Director

DIN 00043180

**Pradeep Saxena**

Director

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Director

DIN 07009701

**Bharti Dhar**

Director

DIN 00442471

**A. Husein Noumanali**

Proprietor, Membership No 14757

Mumbai, May 30, 2017

**Ajith Babu**

Chief Executive Officer

**Bhaskar Borkar**

Chief Financial Officer

**Puneet Motwani**

Company Secretary

# NITCO LIMITED

## I. SIGNIFICANT ACCOUNTING POLICIES

### Company 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 distributors and modern trade.

### A. Basis of Preparation of Financial Statements

- i. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 2013 Act, as applicable. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.
- ii. With erosion of its net worth, the Company was registered as a sick Company under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board for Industrial & Financial Reconstruction. Despite several constraints faced by the Company including absence of working capital facilities and delayed sale of non core assets during FY 2017, the Company achieved positive EBITDA of ₹ 8.24 crore during the year for the first time during last four years. Considering the brand equity enjoyed by the Company, non-core assets identified for sale, and several steps taken by the Company, the management is hopeful of a turnaround in the future. The management therefore believes, it is appropriate to prepare the financial statements on going concern basis.
- iii. The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis except for non provision of interest as described in note no. 38.

### B. Expenditure

Expenses are accounted on accrual basis.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility and other criteria as set out in paragraph 44 of AS 26 – 'Intangible Assets' have been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Assets.

### C. Use of Estimate

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### D. Revenue Recognition

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

Income from export incentives such as duty drawback and premium on sale of import licences, and lease license fee are recognised on accrual basis.

Income from Property Development Activity is recognised in terms of arrangements with developers, wherever applicable.

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

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.

### E. Fixed Assets and Capital Work in Progress

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. 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. Costs are adjusted for grants available to the company which are recognized based on reasonable assurance that the company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

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. Intangible assets exclude the operating software, which forms an integral part of the hardware.

Capital Work In Progress include cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

#### F. Depreciation

The Company has revised its policy of providing depreciation on fixed assets effective April 1, 2014. 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. The aggregate depreciation is provided as per the requirement of Part C of Schedule II to Companies Act 2013. Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

The useful lives of the major assets from the year of capitalisation of the assets/ rates of depreciation are estimated as follows:

| Class of assets                       | Basis | Useful life/ rate of depreciation |
|---------------------------------------|-------|-----------------------------------|
| Buildings other than factory building | SLM   | 60 years                          |
| Factory building                      | SLM   | 30 years                          |
| Plant and machineries                 | SLM   | 15 - 25 years                     |
| Office equipments                     | SLM   | 5 years                           |
| Office equipments –mobile             | SLM   | 2 years                           |
| Computers and related assets          | SLM   | 3 - 6 years                       |
| Electrical installations              | SLM   | 10 years                          |
| Furniture and fixtures                | SLM   | 10 years                          |
| Motor vehicles                        | SLM   | 4 years                           |
| Windmills                             | SLM   | 22 years                          |
| Computer software                     | SLM   | 5 years                           |
| Boat                                  | SLM   | 13 years                          |

#### G. Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred, including trial production expenses and attributable interest and financing costs, prior to commencement of commercial production are capitalized.

#### H. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on change in circumstances.

#### I. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued on the following basis:

- Stores and Spares - at moving weighted average basis.
- Raw Materials - at moving weighted average basis.
- Work-in-Process - at estimated cost.
- Finished Goods - at lower of cost or estimated realisable value.
- Stock in trade - at moving weighted average basis or estimated realisable value.
- Material in Transit - at cost.

#### J. Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any are recognised in the Statement of Profit and Loss, and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

## NITCO LIMITED

### K. Employee Benefits

- i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

### L. Provision for Current and Deferred Tax

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### M. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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 the obligation or a reliable estimate of the amount cannot be made.

### N. Financial Derivatives and Hedging Transactions

In respect of Derivatives Contracts, premium paid provision for losses on restatement and gains / losses on settlement are recognised in Statement of Profit and Loss.

### O. Finance Costs

- i. Finance costs, less any income on the temporary investment out of those borrowings that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.
- ii. Other borrowing costs are recognized as expense in the period in which they are incurred.

### P. Leases

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

### Q. Investments

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at cost or fair value whichever is lower. Cost is determined on a weighted average basis.

**R. Customs & Excise Duty/Service Tax and Sales Tax/Value Added Tax**

Customs & Excise Duty/Service Tax have been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in bonded warehouses. Sales Tax/Value Added Tax paid is charged to profit and Loss account.

**S. Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

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”.

**T. 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.

**U. Balances of sundry debtors, sundry creditors, loans and advances, deposits are subject to confirmation and reconciliation. Accounts receivables are net of advances.****II. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****1. Share Capital**

(₹ in Lacs)

| Particulars                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised:</b>                                                 |                         |                         |
| 6,00,00,000 (6,00,00,000) Equity shares of ₹ 10/- each             | 6,000.00                | 6,000.00                |
|                                                                    | <b>6,000.00</b>         | <b>6,000.00</b>         |
| <b>Issued, subscribed and paid up:</b>                             |                         |                         |
| 5,46,99,338 (5,46,99,338) Equity shares of ₹ 10 each fully paid up | 5,469.93                | 5,469.93                |
| <b>Total</b>                                                       | <b>5,469.93</b>         | <b>5,469.93</b>         |

Out of the above equity shares, 41,80,299 equity shares had been allotted pursuant to court approved schemes of amalgamation / merger for consideration other than cash.

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding balance sheet date.

**1.1. Terms, Rights, Preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank pari passu in all respects including the right to dividend.

**1.2. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

| Particulars                                | As at<br>March 31, 2017<br>No. of shares | As at<br>March 31, 2016<br>No. of shares |
|--------------------------------------------|------------------------------------------|------------------------------------------|
| Equity shares at the beginning of the year | 5,46,99,338                              | 5,46,99,338                              |
| Equity shares at the close of the year     | 5,46,99,338                              | 5,46,99,338                              |

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### 1.3. The details of shareholders holding more than 5% shares in the Company

| Name of the shareholder                       | No. of Shares | % held as at March 31, 2017 | No. of Shares | % held as at March 31, 2016 |
|-----------------------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| Aurella Estates & Investments Private Limited | 2,56,76,949   | 46.94                       | 2,56,76,949   | 46.94                       |
| Vivek Prannath Talwar                         | 63,23,669     | 11.56                       | 63,23,669     | 11.56                       |

### 2. Reserves and Surplus

| (₹ in Lacs)                                 |                      |                      |
|---------------------------------------------|----------------------|----------------------|
| Particulars                                 | As at March 31, 2017 | As at March 31, 2016 |
| <b>Capital Reserve</b>                      |                      |                      |
| As per last year balance sheet              | 125.68               | 125.68               |
| <b>Capital Redemption Reserve</b>           |                      |                      |
| As per last year balance sheet              | 965.00               | 965.00               |
| <b>Securities Premium Account</b>           |                      |                      |
| As per last year balance sheet              | 35,471.47            | 35,471.47            |
| <b>General Reserve</b>                      |                      |                      |
| As per last year balance sheet              | 3,846.91             | 3,846.91             |
| <b>Balance in Profit &amp; Loss Account</b> |                      |                      |
| Opening balance                             | (56,068.25)          | (49,791.61)          |
| (+)Net (Loss) For the current year          | (3,232.36)           | (6,276.64)           |
| <b>Closing Balance</b>                      | <b>(59,300.61)</b>   | <b>(56,068.25)</b>   |
| <b>Total</b>                                | <b>(18,891.55)</b>   | <b>(15,659.19)</b>   |

### 3. Long Term Borrowings

#### 3.1. Long-Term Borrowings (refer to note 38)

| (₹ in Lacs)                                     |                      |                      |
|-------------------------------------------------|----------------------|----------------------|
| Particulars                                     | As at March 31, 2017 | As at March 31, 2016 |
| Term Loans - from banks/ financial institutions | 4,773.23             | 9,011.91             |
| Term Loans - from other parties                 | 40,853.64            | 54,581.97            |
| Long term maturities of finance lease           | 75.36                | 132.58               |
| <b>Total</b>                                    | <b>45,702.23</b>     | <b>63,726.46</b>     |

Note:

- The Company has been incurring losses since FY 2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Accordingly, there were defaults in the payment of obligations to banks and relevant loan accounts – term loans, cash credits and other non-fund based credits.
- No provision has been made for interest unpaid to CDR lenders.
- The company has requested lenders /Asset Reconstruction Company for a suitable restructuring of its loan liabilities and pending such approval, classification of long term borrowings is based on Corporate Debt Restructuring documents.

## 3.2 Interest and repayment schedule for secured long term borrowings:

| (₹ in Lacs)                                                                                          |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type                                                                                                 | Total Long Term Debt of the Company as on March 31, 2017 | Shown under “Long Term Borrowings” as on March 31, 2017 | Current maturities of long term debt included in “Other Current liabilities” as at March 31, 2017 | Interest rate % as at year end | Repayment schedule                                                                                          | Nature of security                                                                                                                                                                                                                                                          |
| Term loans from banks & financial institution covered under Corporate Debt Restructuring package     |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Term loan                                                                                            | 40,167.51                                                | 18,149.27                                               | 22,018.24                                                                                         | 11.25%                         | 32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Working capital term loan – I                                                                        | 15,723.91                                                | 5,450.80                                                | 10,273.11                                                                                         | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Working capital term loan – II                                                                       | 44,918.95                                                | 15,671.03                                               | 29,247.92                                                                                         | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Funded Interest term loan                                                                            | 15,064.77                                                | 5,211.76                                                | 9,853.00                                                                                          | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Total                                                                                                | 1,15,875.14                                              | 44,482.86                                               | 71,392.27                                                                                         |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Term loans from banks & financial institution not covered under Corporate Debt Restructuring package |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Term loan from others                                                                                | 308.91                                                   | 0                                                       | 308.91                                                                                            | 3M LIBOR plus 2.60%            | 12 structured quarterly installments commencing from March 31, 2015                                         | Pari passu first charge on Silvassa Plant and guaranteed by promoter.                                                                                                                                                                                                       |
| Term loan from others                                                                                | 841.67                                                   | 569.00                                                  | 272.67                                                                                            | 13.95%                         | 24 quarterly installments commencing from September 2014                                                    | Exclusive charge on 6 windmills by way of hypothecation. Exclusive charge on Escrow account wherein receivables from windmills are received; personal guarantee of Mr. Vivek Talwar.                                                                                        |
| Term loan from others                                                                                | 847.67                                                   | 575.01                                                  | 272.67                                                                                            | 13.95%                         | 24 quarterly installments commencing from September 2014                                                    | First pari passu charge on Silvassa plant and personal guarantee of Mr. Vivek Talwar                                                                                                                                                                                        |
| Vehicle loans                                                                                        | 108.89                                                   | 75.36                                                   | 33.53                                                                                             | 10% to 14%                     | 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                                                                                                | 2,107.14                                                 | 1,219.37                                                | 887.78                                                                                            |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Grand Total                                                                                          | 1,17,982.28                                              | 45,702.23                                               | 72,280.05                                                                                         |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |

(Note: Balances with banks, financial institution and other parties etc are subject to reconciliations/ confirmations.)

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### 4. Long term liabilities & provisions

| (₹ in Lacs)                    |                         |                         |
|--------------------------------|-------------------------|-------------------------|
| Particulars                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Provision for Leave Encashment | 182.67                  | 236.09                  |
| Other Liabilities              | 1.12                    | -                       |
| <b>Total</b>                   | <b>183.79</b>           | <b>236.09</b>           |

### 5. Short term borrowings (refer to note 38)

| (₹ in Lacs)                                   |                         |                         |
|-----------------------------------------------|-------------------------|-------------------------|
| Particulars                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Loan Repayable on Demand (Secured From Banks) |                         |                         |
| - Cash Credit*                                | 11,357.41               | 11,442.40               |
| <b>Total</b>                                  | <b>11,357.41</b>        | <b>11,442.40</b>        |

\* [Above figures includes LC devolvement of ₹ NIL Lacs (previous year ₹ 5,261.34 Lacs)]

- The Company has been incurring losses since FY 2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Accordingly, there were defaults in the payment of obligations to banks and relevant loan accounts – term loans, cash credits and other non-fund based credits.
- No provision has been made for unpaid interest to CDR lenders.
- Working capital loan from banks are secured against the 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.

### 6. Trade payable

| (₹ in Lacs)                         |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Micro, Small and Medium Enterprises | 1,103.43                | 686.03                  |
| Others                              | 14,638.14               | 16,980.03               |
| <b>Total</b>                        | <b>15,741.57</b>        | <b>17,666.06</b>        |

Credit period varies as per contractual terms of various suppliers/vendors. No interest is generally charged by suppliers/vendors.

### 7. Other current liabilities

| (₹ in Lacs)                         |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Current Maturity of Long Term Debt  | 72,280.05               | 54,905.22               |
| Unpaid Dividends                    | 1.01                    | 1.34                    |
| Amount payable to capital creditors | 50.14                   | 106.35                  |
| Provision for expenses              | 621.53                  | 635.92                  |
| Deposits received                   | 1,137.11                | 1,118.92                |
| Other payables                      | 1,204.11                | 1,210.13                |
| <b>Total</b>                        | <b>75,293.95</b>        | <b>57,977.88</b>        |

During the current financial year, ₹ 0.33 Lacs (previous year ₹ 0.27 Lacs) has been transferred to the Investors Education and Protection Fund under the Companies Act, 2013.

### 8. Short term provisions

| (₹ in Lacs)                    |                         |                         |
|--------------------------------|-------------------------|-------------------------|
| Particulars                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Provision for Leave Encashment | 53.27                   | 85.73                   |
| Provision for Gratuity         | 124.64                  | 98.86                   |
| <b>Total</b>                   | <b>177.91</b>           | <b>184.59</b>           |

## 9. Fixed assets

| Description of Assets                             | Gross Block         |               |                 |                     | Depreciation        |                   |                     | Net Block           |                     |
|---------------------------------------------------|---------------------|---------------|-----------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|                                                   | As at<br>01.04.2016 | Additions     | Deductions      | As at<br>31.03.2017 | As at<br>01.04.2016 | For the<br>Period | As at<br>31.03.2017 | As at<br>31.03.2017 | As at<br>31.03.2016 |
| Freehold Land                                     | 5,891.19            | 112.38        | -               | 6,003.57            | -                   | -                 | -                   | 6,003.57            | 5,891.19            |
| Buildings                                         | 19,538.39           | -             | 0.99            | 19,537.40           | 6,367.25            | 803.53            | 7,170.78            | 12,366.62           | 13,171.14           |
| Office Equipment                                  | 1,519.89            | 38.30         | 21.27           | 1,536.92            | 1,295.46            | 124.45            | 1,399.51            | 137.41              | 224.43              |
| Plant & Machinery                                 | 54,447.09           | 693.56        | -               | 55,140.65           | 20,627.62           | 2,292.52          | 22,920.14           | 32,220.51           | 33,819.47           |
| Electrical Installations                          | 1,032.19            | -             | -               | 1,032.19            | 750.17              | 81.31             | 831.48              | 200.71              | 282.02              |
| Furniture & Fixtures                              | 2,456.94            | 6.42          | -               | 2,463.36            | 1,611.98            | 287.38            | 1,899.36            | 564.00              | 844.96              |
| Windmill                                          | 3,680.54            | -             | -               | 3,680.54            | 1,889.71            | 151.36            | 2,041.07            | 1,639.47            | 1,790.83            |
| <b>Total Owned Assets</b>                         | <b>88,566.23</b>    | <b>850.66</b> | <b>22.26</b>    | <b>89,394.63</b>    | <b>32,542.19</b>    | <b>3,740.55</b>   | <b>36,262.34</b>    | <b>53,132.29</b>    | <b>56,024.04</b>    |
| <b>Total Owned Assets<br/>(Previous year)</b>     | <b>89,925.70</b>    | <b>482.92</b> | <b>1,842.39</b> | <b>88,566.23</b>    | <b>29,296.98</b>    | <b>5,084.82</b>   | <b>32,542.19</b>    | <b>56,024.04</b>    | <b>60,628.72</b>    |
| Leasehold Land                                    | 145.66              | -             | -               | 145.66              | 6.02                | 3.01              | 9.03                | 136.63              | 139.64              |
| Motor Vehicles                                    | 792.19              | 28.69         | 24.51           | 796.37              | 603.20              | 54.88             | 634.75              | 161.62              | 188.99              |
| <b>Total Leasehold Assets</b>                     | <b>937.85</b>       | <b>28.69</b>  | <b>24.51</b>    | <b>942.03</b>       | <b>609.22</b>       | <b>57.89</b>      | <b>643.78</b>       | <b>298.25</b>       | <b>328.63</b>       |
| <b>Total Leasehold Assets<br/>(Previous year)</b> | <b>826.15</b>       | <b>172.00</b> | <b>60.30</b>    | <b>937.85</b>       | <b>622.73</b>       | <b>46.05</b>      | <b>609.22</b>       | <b>328.63</b>       | <b>203.42</b>       |
| Total Assets                                      | 89,504.08           | 879.35        | 46.77           | 90,336.66           | 33,151.41           | 3,798.44          | 36,906.12           | 53,430.54           | 56,352.67           |
| Total Assets (Previous year)                      | 90,751.85           | 654.92        | 1,902.69        | 89,504.08           | 29,919.71           | 5,130.87          | 33,151.41           | 56,352.67           | 60,832.13           |
| Capital work-in-progress                          |                     |               |                 |                     |                     |                   |                     | 195.38              | 194.42              |

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### 10. Vehicles taken on finance lease

Future obligations towards lease rentals under the lease agreements as on March 31, 2017 is as under:

(₹ in Lacs)

| Particulars                                          | Outstanding<br>As at March<br>31, 2017 | Outstanding<br>As at March<br>31, 2016 | Future<br>Interest<br>March 31,<br>2017 | Future<br>Interest<br>March 31,<br>2016 | Future<br>Obligation<br>March 31,<br>2017 | Future<br>Obligation<br>March 31,<br>2016 |
|------------------------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-------------------------------------------|
| Within one year                                      | 33.53                                  | 33.53                                  | 1.75                                    | 1.75                                    | 35.28                                     | 35.28                                     |
| later than one year and not later<br>than five years | 75.36                                  | 99.05                                  | 18.73                                   | 30.31                                   | 94.08                                     | 129.36                                    |
| After five year                                      | -                                      | -                                      | -                                       | -                                       | -                                         | -                                         |
| <b>Total</b>                                         | <b>108.89</b>                          | <b>132.58</b>                          | <b>20.48</b>                            | <b>32.06</b>                            | <b>129.36</b>                             | <b>164.64</b>                             |

### 11. Non current investments

(₹ in Lacs)

| Particulars                                         | No of shares  | Face value per<br>share | Cost of<br>investments as at<br>March 31, 2017 |
|-----------------------------------------------------|---------------|-------------------------|------------------------------------------------|
| <b>Investment in subsidiaries</b>                   |               |                         |                                                |
| <b>(Unquoted, Trade - fully paid up):</b>           |               |                         |                                                |
| Nitco Realities Pvt. Ltd – Equity shares            | 2,00,000      | 1.00                    | 694.59                                         |
|                                                     | (2,00,000)    | (1.00)                  | (694.59)                                       |
| Nitco Holdings HK Co. Ltd – Equity shares           | 10,000        | -                       | 0.64                                           |
|                                                     | (10,000)      | -                       | (0.64)                                         |
| New Vardhman Vitriified Pvt Ltd. – Equity shares    | 1,27,50,000   | 10.00                   | 1,561.35                                       |
|                                                     | (1,27,50,000) | (10.00)                 | (1,561.35)                                     |
| New Vardhman Vitriified Pvt Ltd – Preference shares | 47,87,763     | 10.00                   | 478.78                                         |
|                                                     | (47,87,763)   | (10.00)                 | (478.78)                                       |
| <b>Total</b>                                        |               |                         | <b>2,735.36</b><br><b>(2,735.36)</b>           |

(Note: Previous year figures provided in brackets)

### 12. Long term loans and advances

(₹ in Lacs)

| Particulars                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------------------|-------------------------|-------------------------|
| (Unsecured considered good unless otherwise stated) |                         |                         |
| Security Deposits                                   | 123.69                  | 108.02                  |
| Capital Advances                                    | 1,589.42                | 1,584.24                |
| Advances to subsidiaries (refer note 32)            | 17,175.98               | 17,175.97               |
| Other                                               | 19.54                   | 15.60                   |
| <b>Total</b>                                        | <b>18,908.63</b>        | <b>18,883.83</b>        |

### 13. Inventories

(₹ in Lacs)

| Particulars                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------------------------------|-------------------------|-------------------------|
| (As certified by management)                         |                         |                         |
| Raw Materials                                        | 3,086.32                | 4,139.51                |
| Work in Progress                                     | 381.30                  | 213.31                  |
| Stores & Spares                                      | 1,124.96                | 1,083.87                |
| Finished Goods (manufactured goods including marble) | 12,229.33               | 11,730.61               |
| Stock in Trade                                       | 743.53                  | 914.84                  |
| <b>Total</b>                                         | <b>17,565.44</b>        | <b>18,082.14</b>        |

**14. Inventories – real estate**

| (₹ in Lacs)        |                         |                         |
|--------------------|-------------------------|-------------------------|
| Particulars        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Land at Kanjurmarg | 15,000.00               | 15,000.00               |
| Biz Park at Thane  | 2,972.77                | 2,959.09                |
| <b>Total</b>       | <b>17,972.77</b>        | <b>17,959.09</b>        |

**15. Trade receivables**

| (₹ in Lacs)                                                                            |                         |                         |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| (Unsecured considered good unless otherwise stated)                                    |                         |                         |
| Outstanding for a period exceeding six months from the date they were due for payment: |                         |                         |
| - Considered good                                                                      | 2,615.88                | 2,452.52                |
| - Considered doubtful                                                                  | 1,156.29                | 896.77                  |
| Less: Provision for doubtful debts                                                     | (583.38)                | (543.81)                |
|                                                                                        | <b>3,188.79</b>         | <b>2,805.48</b>         |
| Others                                                                                 |                         |                         |
| - Considered good                                                                      | 10,816.52               | 12,630.67               |
|                                                                                        | <b>10,816.52</b>        | <b>12,630.67</b>        |
| <b>Total</b>                                                                           | <b>14,005.31</b>        | <b>15,436.15</b>        |

**16. Cash and cash equivalents**

| (₹ in Lacs)                             |                         |                         |
|-----------------------------------------|-------------------------|-------------------------|
| Particulars                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| (a) Cash and cash equivalents           |                         |                         |
| Cash on Hand                            | 3.55                    | 20.45                   |
| Balances with Banks                     | 1,566.49                | 1,847.72                |
|                                         | <b>1,570.04</b>         | <b>1,868.17</b>         |
| (b) Other bank balances                 |                         |                         |
| Balances with banks for unpaid dividend | 1.01                    | 1.34                    |
|                                         | <b>1.01</b>             | <b>1.34</b>             |
| <b>Total</b>                            | <b>1,571.05</b>         | <b>1,869.51</b>         |

**17. Short term loans and advances**

| (₹ in Lacs)                                                        |                         |                         |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Balances with Banks - Held as Margin Money                         | 2,192.30                | 2,221.16                |
| <b>Others:</b> (Unsecured considered good unless otherwise stated) |                         |                         |
| Advances for supply of goods and rendering of services             | 1,747.21                | 2,062.11                |
| Prepaid expenses and claims receivable                             | 720.19                  | 777.10                  |
| Others                                                             | 60.47                   | 59.76                   |
| <b>Total</b>                                                       | <b>4,720.17</b>         | <b>5,120.13</b>         |

**18. Other current assets**

| (₹ in Lacs)                                         |                         |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
| Particulars                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| (Unsecured considered good unless otherwise stated) |                         |                         |
| Security Deposits                                   | 1,592.27                | 1,663.64                |
| Income Tax Payment (Net)                            | 1,680.45                | 1,607.49                |
| Balance with Custom, Excise, Service Tax            | 2,304.78                | 2,422.04                |
| Other Current Assets                                | 387.93                  | 752.59                  |
| <b>Total</b>                                        | <b>5,965.43</b>         | <b>6,445.76</b>         |

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### 19. Sale of Products

(₹ in Lacs)

| Particulars     | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------|-------------------------|-------------------------|
| Ceramic Tiles   | 32,118.11               | 36,804.60               |
| Vitrified Tiles | 27,786.35               | 31,342.43               |
| Marble          | 15,046.73               | 17,014.11               |
| <b>Total</b>    | <b>74,951.19</b>        | <b>85,161.14</b>        |

### 20. Cost of materials consumed

(₹ in Lacs)

| Particulars          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------|-------------------------|-------------------------|
| Body material        | 3,275.63                | 3,862.07                |
| Glaze material       | 1,736.47                | 2,271.14                |
| Marble blocks/ slabs | 10,662.66               | 11,996.25               |
| Packing material     | 1,013.95                | 1,190.28                |
| <b>Total</b>         | <b>16,688.71</b>        | <b>19,319.74</b>        |

### 21. Changes in inventory

(₹ in Lacs)

| Particulars                       | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Stock as on April 1, 2016</b>  |                         |                         |
| Work in progress                  | 213.31                  | 388.93                  |
| Finished goods                    | 11,730.61               | 10,401.63               |
| Stock in trade                    | 914.84                  | 1,677.66                |
| <b>(A)</b>                        | <b>12,858.76</b>        | <b>12,468.22</b>        |
| <b>Stock as on March 31, 2017</b> |                         |                         |
| Work in progress                  | 381.30                  | 213.31                  |
| Finished goods                    | 12,229.33               | 11,730.61               |
| Stock in trade                    | 743.53                  | 914.84                  |
| <b>(B)</b>                        | <b>13,354.16</b>        | <b>12,858.76</b>        |
| <b>(B-A)</b>                      | <b>(495.40)</b>         | <b>(390.54)</b>         |

### 22. Employees benefit expense (Refer Note 34)

(₹ in Lacs)

| Particulars                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|-------------------------|
| Salaries and wages                         | 6,994.28                | 6,646.33                |
| Contributions to Provident and Other Funds | 438.14                  | 414.34                  |
| Staff Welfare Expenses                     | 221.89                  | 161.42                  |
| <b>Total</b>                               | <b>7,654.31</b>         | <b>7,222.09</b>         |

### 23. Finance cost (Refer Note 38)

(₹ in Lacs)

| Particulars                                                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Interest expense                                                 | 146.04                  | 244.16                  |
| Other financial charges                                          | 99.74                   | 131.86                  |
| Net (gain)/loss on foreign currency transactions and translation | 12.41                   | 143.08                  |
| <b>Total</b>                                                     | <b>258.19</b>           | <b>519.10</b>           |

**24. Other expenses**

| Particulars                                | (₹ in Lacs)                  |                              |
|--------------------------------------------|------------------------------|------------------------------|
|                                            | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>Other Manufacturing Expenses</b>        |                              |                              |
| Power and fuel                             | 3,976.72                     | 4,963.21                     |
| Consumption of stores and spare parts      | 1,378.58                     | 2,199.63                     |
|                                            | <b>5,355.30</b>              | <b>7,162.84</b>              |
| <b>Repairs and Maintenance</b>             |                              |                              |
| Buildings                                  | 25.79                        | 35.91                        |
| Machinery                                  | 267.53                       | 253.79                       |
| Others Repairs & Maintenance               | 205.83                       | 188.32                       |
|                                            | <b>499.15</b>                | <b>478.02</b>                |
| <b>Administrative expenses</b>             |                              |                              |
| Rent Rates and Taxes                       | 1,095.27                     | 1,267.20                     |
| Electricity Charges Office & Depot         | 132.43                       | 149.43                       |
| Processing Charges Mosaico/Marble          | 161.04                       | 171.41                       |
| Water Charges                              | 9.26                         | 8.80                         |
| Postage and Telephone                      | 150.46                       | 165.27                       |
| Printing and Stationery                    | 21.70                        | 20.27                        |
| Insurance                                  | 179.77                       | 231.71                       |
| Legal and Professional Fees                | 237.36                       | 303.88                       |
| Travelling & Conveyance Expenses           | 829.41                       | 867.90                       |
| Audit Fees                                 | 34.13                        | 28.94                        |
| Hire Charges                               | 190.87                       | 237.93                       |
| Security Charges                           | 142.64                       | 126.31                       |
| Miscellaneous Expenses                     | 240.67                       | 153.66                       |
|                                            | <b>3,425.01</b>              | <b>3,732.71</b>              |
| <b>Selling and distribution expenses</b>   |                              |                              |
| Advertisement & Sales Promotion Expenses   | 1,796.57                     | 1,378.33                     |
| Freight Forwarding & Distribution Expenses | 1,958.43                     | 2,410.05                     |
| C&F Charges                                | 510.56                       | 672.97                       |
| Provision for doubtful debts               | 18.31                        | 173.76                       |
| Bad Debts                                  | 0.43                         | 179.60                       |
|                                            | <b>4,284.30</b>              | <b>4,814.71</b>              |
| <b>Total</b>                               | <b>13,563.76</b>             | <b>16,188.28</b>             |

**25. Provision for Taxation****i. Current year charge**

No provision for Income tax has been made on account of losses during the year.

**ii. Deferred Tax**

The Company has been recognizing in the financial statements the deferred tax assets / liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. No provision for deferred tax has been made on account of losses during the year.

**26. Value of raw materials, spares and components consumed during the year ended**

| Particulars                    | March 31, 2017   |             | March 31, 2016   |             |
|--------------------------------|------------------|-------------|------------------|-------------|
|                                | ₹ in Lacs        | %           | ₹ in Lacs        | %           |
| <b>Raw Materials</b>           |                  |             |                  |             |
| Imported                       | 7,967.46         | 48%         | 8,671.21         | 45%         |
| Indigenous                     | 8,721.25         | 52%         | 10,648.53        | 55%         |
| <b>Total</b>                   | <b>16,688.71</b> | <b>100%</b> | <b>19,319.74</b> | <b>100%</b> |
| <b>Spares &amp; Components</b> |                  |             |                  |             |
| Imported                       | 595.85           | 43%         | 929.06           | 42%         |
| Indigenous                     | 782.73           | 57%         | 1,270.57         | 58%         |
| <b>Total</b>                   | <b>1,378.58</b>  | <b>100%</b> | <b>2,199.63</b>  | <b>100%</b> |

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### 27. Earnings in foreign exchange (exports) during the year ended

| ₹ In Lacs            |                 |                 |
|----------------------|-----------------|-----------------|
| Particulars          | March 31, 2017  | March 31, 2016  |
| FOB Value of Exports | 1,782.17        | 1,590.18        |
| <b>Total</b>         | <b>1,782.17</b> | <b>1,590.18</b> |

### 28. Value of imports calculated on CIF basis for the year ended

| (₹ in Lacs)              |                 |                 |
|--------------------------|-----------------|-----------------|
| Particulars              | March 31, 2017  | March 31, 2016  |
| Traded goods             | 209.68          | 969.47          |
| Raw Material             | 4,531.99        | 5,914.73        |
| Capital Goods            | 88.73           | 155.24          |
| Spare Parts & Components | 369.94          | 559.58          |
| <b>Total</b>             | <b>5,200.35</b> | <b>7,599.02</b> |

### 29. Expenditure in foreign currency for the year ended

| (₹ in Lacs)      |                |                |
|------------------|----------------|----------------|
| Particulars      | March 31, 2017 | March 31, 2016 |
| Interest         | 20.47          | 25.96          |
| Travel & Lodging | 143.14         | 131.16         |
| <b>Total</b>     | <b>163.61</b>  | <b>157.12</b>  |

### 30. Payment to auditors for the year ended

| (₹ in Lacs)          |                |                |
|----------------------|----------------|----------------|
| Particulars          | March 31, 2017 | March 31, 2016 |
| Statutory audit fees | 34.13          | 28.94          |
| <b>Total</b>         | <b>34.13</b>   | <b>28.94</b>   |

### 31. Disclosure in respect of related parties pursuant to Accounting Standard 18

| Relationship                                                                                                               | Name of the Related Party                       |                                           |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|
| <b>Subsidiaries</b>                                                                                                        | Nitco Realities Private Limited                 | New Vardhman Vitriified Private Limited   |
|                                                                                                                            | Nitco Holdings HK Company Limited               |                                           |
| <b>Fellow Subsidiaries</b>                                                                                                 | Maxwealth Properties Private Limited            | Opera Properties Private Limited          |
|                                                                                                                            | Meghdoot Properties Private Limited             | Ferocity Properties Private Limited       |
|                                                                                                                            | Roaring - Lion Properties Private Limited       | Glamorous Properties Private Limited      |
|                                                                                                                            | Feel Better Housing Private Limited             | Nitco IT Parks Private Limited            |
|                                                                                                                            | Quick-Solution Properties Private Limited       | Nitco Aviation Private Limited            |
|                                                                                                                            | Silver-Sky Real Estates Private Limited         | Aileen Properties Private Limited         |
|                                                                                                                            | Mr. Vivek Talwar                                |                                           |
| <b>Key Managerial Personnel Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | Aileen Properties Private Limited               | Nitco Limited                             |
|                                                                                                                            | Alpine Agro And Dairy Farms Private Limited     | Nitco Holdings HK Company Limited         |
|                                                                                                                            | Anandshree (Bombay) Holding Private Limited     | Nitco IT Parks Private Limited            |
|                                                                                                                            | Aqua-Marine Properties Private Limited          | Brighton Properties Private Limited       |
|                                                                                                                            | (Date of cessation March 09, 2015)              | (Date of cessation March 09, 2015)        |
|                                                                                                                            | Aurella Estates And Investments Private Limited | Nitco Realities Private Limited           |
|                                                                                                                            | Nitco Exports                                   | Nitco Sales Corporation (Delhi)           |
|                                                                                                                            | Brunelle Constructions Private Limited          | Nitco Tiles                               |
|                                                                                                                            | Blue-Whale Properties Pvt. Ltd.                 | Nitco Tiles Sales Corporation (Bombay)    |
|                                                                                                                            | Cosmos Realtors Private Limited                 | Norita Investments Private Limited        |
|                                                                                                                            | Nitco Paints Private Limited                    | Northern India Tiles (Sales) Corporation  |
|                                                                                                                            | Eden Garden Builders Private Limited            | Prakalp Properties Private Limited        |
|                                                                                                                            | (Date of cessation March 09, 2015)              | (Date of cessation March 09, 2015)        |
|                                                                                                                            | Enjoy Builders Private Limited                  | Rang Mandir Builders Private Limited      |
|                                                                                                                            | (Date of cessation March 09, 2015)              | (Date of cessation March 09, 2015)        |
|                                                                                                                            | Feel Better Housing Private Limited             | Opera Properties Private Limited          |
|                                                                                                                            | Ferocity Properties Private Limited             | Quick-Solution Properties Private Limited |
|                                                                                                                            | First Life Properties LLP                       | Orchid Realtors Private Limited           |
|                                                                                                                            | Greenarth Properties And Realty LLP             | Rejoice Realty Private Limited            |
|                                                                                                                            | (Date of Appointment August 10, 2015)           | (Date of cessation March 09, 2015)        |

| Relationship | Name of the Related Party                                                           |                                                                           |
|--------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
|              | Glamorous Properties Private Limited                                                | Rhythm Real Estates Private Limited                                       |
|              | Kshamta Properties Private Limited<br>(Date of cessation March 09, 2015)            | Reliant Properties And Realty LLP<br>(Date of Appointment August 3, 2015) |
|              | Hunar Cultivators And Developers Private Limited                                    | Roaring - Lion Properties Private Limited                                 |
|              | IB Hospitality Private Limited                                                      | Saisha Trading LLP                                                        |
|              | Kavivarya Properties LLP                                                            | Saumya Buildcon Private Limited                                           |
|              | Lavender Properties Private Limited<br>(Date of cessation March 09, 2015)           | Ushakiran Builders Private Limited<br>(Date of cessation March 09, 2015)  |
|              | Maxwealth Properties Private Limited                                                | Silver-Sky Real Estates Private Limited                                   |
|              | Meghdoot Properties Private Limited                                                 | Strongbase Properties LLP                                                 |
|              | Melisma Finance And Trading Private Limited                                         | Tanvish Properties LLP                                                    |
|              | Merino Realtors Private Limited                                                     | The Northern India Tiles Corporation (Delhi)                              |
|              | New Vardhman Vitriified Private Limited                                             | Vilasini Properties Private Limited                                       |
|              | Nitco Consultants And Exports Private Limited<br>(Date of cessation March 09, 2015) | Vihaan Properties Private Limited<br>(Date of cessation March 09, 2015)   |
|              | Nitco Aviation Private Limited                                                      | Vivek Talwar (HUF)                                                        |

### 32. The details of amounts due to or due from are as follows

| (₹ in Lacs)                             |                          |                          |                    |
|-----------------------------------------|--------------------------|--------------------------|--------------------|
| Particulars                             | Subsidiaries             | Key Managerial Personnel | Others]            |
| <b>Loans &amp; Advances :</b>           |                          |                          |                    |
| Nitco Realities Private Limited         | 15,234.11<br>(15,234.10) |                          |                    |
| New Vardhman Vitriified Private Limited | 1,941.87<br>(1,941.87)   |                          |                    |
| <b>Deposits:</b>                        |                          |                          |                    |
| Eden Garden Builders Private Limited    |                          |                          | 150.00<br>(150.00) |
| Enjoy Builders Private Limited          |                          |                          | 205.00<br>(205.00) |
| Lavender Properties Private Limited     |                          |                          | 150.00<br>(150.00) |
| Prakalp Properties Private Limited      |                          |                          | 145.00<br>(145.00) |
| Rang Mandir Builders Private Limited    |                          |                          | 200.00<br>(200.00) |
| Usha Kiran Builders Private Limited     |                          |                          | 150.00<br>(150.00) |
| <b>Trade &amp; Other Payables</b>       |                          |                          |                    |
| New Vardhman Vitriified Private Limited | 2,383.73<br>(3,479.61)   |                          |                    |
| Eden Garden Builders Private Limited    |                          |                          | 10.60<br>(9.33)    |
| Enjoy Builders Private Limited          |                          |                          | 17.82<br>(14.32)   |
| Lavender Properties Private Limited     |                          |                          | 14.41<br>(11.88)   |
| Prakalp Properties Private Limited      |                          |                          | 13.13<br>(10.96)   |
| Rang Mandir Builders Private Limited    |                          |                          | 19.17<br>(15.83)   |
| Usha Kiran Builders Private Limited     |                          |                          | 14.25<br>(12.01)   |
| Saisha Trading LLP                      |                          |                          | 341.25<br>(346.31) |

(Note: Previous year figures provided in brackets)

## NITCO LIMITED

The details of the related party transactions entered by the company are as follows

(₹ in Lacs)

| Particulars                                       | Subsidiaries             | Key Managerial Personnel | Others               |
|---------------------------------------------------|--------------------------|--------------------------|----------------------|
| <b>LOANS:</b>                                     |                          |                          |                      |
| <b>Net Loans &amp; advances given/(returned):</b> |                          |                          |                      |
| Nitco Realities Private Limited                   | 0.01<br>(-51.83)         |                          |                      |
| New Vardhman Vitrified Private Limited            | -<br>(100.00)            |                          |                      |
| <b>REVENUE TRANSACTIONS:</b>                      |                          |                          |                      |
| <b>Purchase /Material Consumed:</b>               |                          |                          |                      |
| New Vardhman Vitrified Private Limited            | 13,513.05<br>(19,085.41) |                          |                      |
| Saisha Trading LLP                                |                          |                          | 388.83<br>(1,194.57) |
| <b>Other Expenses:</b>                            |                          |                          |                      |
| IB Hospitality Private Limited                    |                          |                          | 25.92<br>-           |
| <b>Sale of Assets:</b>                            |                          |                          |                      |
| New Vardhman Vitrified Private Limited            | -<br>(6.71)              |                          |                      |
| <b>Payment to Key Managerial Personnel :</b>      |                          |                          |                      |
| Vivek Talwar                                      |                          | 50.50<br>(51.00)         |                      |
| <b>Rent Paid :</b>                                |                          |                          |                      |
| Eden Garden Builders Private Limited              |                          |                          | 3.18<br>(3.18)       |
| Enjoy Builders Private Limited                    |                          |                          | 4.37<br>(4.37)       |
| Lavender Properties Private Limited               |                          |                          | 3.16<br>(3.16)       |
| Prakalp Properties Private Limited                |                          |                          | 3.02<br>(3.02)       |
| Rang Mandir Builders Private Limited              |                          |                          | 4.18<br>(4.18)       |
| Usha Kiran Builders Private Limited               |                          |                          | 3.16<br>(3.16)       |
| <b>Rent Received :</b>                            |                          |                          |                      |
| Saisha Trading LLP                                |                          |                          | 2.76<br>(2.73)       |

(Note: Previous year figures provided in brackets)

### 33. Exceptional Items for the year ended

(₹ in Lacs)

| Particulars                | March 31, 2017 | March 31, 2016 |
|----------------------------|----------------|----------------|
| Paid to GAIL India Limited | -              | 252.83         |
| <b>Total</b>               | <b>-</b>       | <b>252.83</b>  |

During the previous financial year, the Company had settled its Take or Pay obligation under supply contract with GAIL India Limited for supply of Natural Gas for calendar year 2014 ₹252.83 Lacs and same was considered as an exceptional item.

**34. As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below**

The company has defined benefit Gratuity plan. Gratuity (being administered by a Trust) is computed as 15 days salary, for every computed year of service or part thereof in excess of six months and is payable on retirement/termination/resignation. The benefit vests on the employee completing five year of service. The Gratuity plan for the company is a defined benefit scheme where annual contributions are deposited to Gratuity Trust Fund established to provide gratuity benefits. The Trust Fund has taken a scheme of insurance, whereby these contributions are transferred to the insurers. 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 premium to the insurance company.

**Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognized as expense is as under:

| (₹ in Lacs)                                      |                              |                              |
|--------------------------------------------------|------------------------------|------------------------------|
| Particulars                                      | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| Employer's Contribution to Provident Fund        | 279.17                       | 282.04                       |
| Employer's contribution to National Pension Fund | 47.62                        | 37.02                        |
| Employer's Contribution to Superannuation Fund   | 6.34                         | 9.26                         |
| Employer's Contribution to Gratuity              | 97.66                        | 86.02                        |

**Defined Benefit Plans****I) Reconciliation of opening and closing balances of Defined Benefit for the year ended**

| (₹ in Lacs)                                     |                   |                |                             |                |
|-------------------------------------------------|-------------------|----------------|-----------------------------|----------------|
| Particulars                                     | Obligation        |                |                             |                |
|                                                 | Gratuity (Funded) |                | Leave Encashment (Unfunded) |                |
|                                                 | March 31, 2017    | March 31, 2016 | March 31, 2017              | March 31, 2016 |
| Defined Benefit obligation at beginning of year | 657.82            | 609.21         | 321.82                      | 323.40         |
| Current Service Cost                            | 67.80             | 66.62          | 98.67                       | 69.07          |
| Interest Cost                                   | 50.94             | 47.44          | 24.92                       | 25.18          |
| Actuarial gain / (loss)                         | 16.86             | (11.74)        | (71.64)                     | (16.87)        |
| Benefits paid                                   | (68.86)           | (53.71)        | (137.84)                    | (78.96)        |
| Defined Benefit obligation at year end          | 724.56            | 657.82         | 235.93                      | 321.82         |

**II) Reconciliation of opening and closing balances of fair value of Plan Assets for the year ended**

| (₹ in Lacs)                                    |                   |                |
|------------------------------------------------|-------------------|----------------|
| Particulars                                    | Gratuity (Funded) |                |
|                                                | March 31, 2017    | March 31, 2016 |
| Fair value of Plan assets at beginning of year | 558.95            | 554.33         |
| Expected return on plan assets                 | 44.69             | 50.00          |
| Actuarial gain / (loss)                        | (0.52)            | (6.83)         |
| Employer contribution                          | 65.66             | 15.12          |
| Benefits paid                                  | (68.86)           | (53.67)        |
| Fair value of Plan assets at year end          | 599.92            | 558.95         |
| Actual return on plan assets                   | 44.16             | 43.17          |

**III) Reconciliation of fair value of assets and obligations as at**

| (₹ in Lacs)                        |                   |                |                             |                |
|------------------------------------|-------------------|----------------|-----------------------------|----------------|
| Particulars                        | Gratuity (Funded) |                | Leave Encashment (Unfunded) |                |
|                                    | March 31, 2017    | March 31, 2016 | March 31, 2017              | March 31, 2016 |
| Fair value of Plan assets          | 599.92            | 558.95         | -                           | -              |
| Present value of obligation        | 724.56            | 657.82         | 235.93                      | 321.82         |
| Amount recognized in Balance Sheet | 124.64            | 98.87          | 235.93                      | 321.82         |

**IV) Expenses recognized for the year ended**

(₹ in Lacs)

| Particulars                    | Gratuity (Funded) |                | Leave Encashment (Unfunded) |                |
|--------------------------------|-------------------|----------------|-----------------------------|----------------|
|                                | March 31, 2017    | March 31, 2016 | March 31, 2017              | March 31, 2016 |
| Current Service Cost           | 67.80             | 66.61          | 98.67                       | 69.07          |
| Interest Cost                  | 50.94             | 47.44          | 24.92                       | 25.18          |
| Expected return on Plan assets | (44.68)           | (50.00)        | -                           | -              |
| Actuarial (gain) / loss        | 17.39             | (4.91)         | (71.64)                     | (16.87)        |
| <b>Net Cost</b>                | <b>91.45</b>      | <b>59.14</b>   | <b>51.95</b>                | <b>77.38</b>   |

| Particulars                              | Gratuity (Funded) |                | Leave Encashment (Unfunded) |                |
|------------------------------------------|-------------------|----------------|-----------------------------|----------------|
|                                          | March 31, 2017    | March 31, 2016 | March 31, 2017              | March 31, 2016 |
| Mortality Table                          | IALM 2006-08      | IALM 2006-08   | IALM 2006-08                | IALM 2006-08   |
|                                          | (Ultimate)        | (Ultimate)     | (Ultimate)                  | (Ultimate)     |
| Discount rate (per annum)                | 6.80%             | 7.75%          | 6.80%                       | 7.75%          |
| Rate of escalation in salary (per annum) | 5.00%             | 5.00%          | 5.00%                       | 5.00%          |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

**35. Segment Information**

Segment has been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as differential risks and returns of these segments. The Company has disclosed Business Segment as Primary Segment. The Business Segment consists off;

- Tiles and other related products
- Real Estate

**A. Business Segment**

(₹ in Lacs)

| Sr. No. | Particulars                                         | As at March 31, 2017 | As at March 31, 2016 |
|---------|-----------------------------------------------------|----------------------|----------------------|
| 1       | Net sales / Income from Operations                  |                      |                      |
|         | - Tiles and other related products                  | 72,025.08            | 81,180.71            |
|         | - Real estate                                       | 254.48               | 152.79               |
|         | <b>Total Revenue</b>                                | <b>72,279.56</b>     | <b>81,333.50</b>     |
| 2       | Segment results                                     |                      |                      |
|         | - Tiles and other related products                  | (3,140.62)           | (5,518.23)           |
|         | - Real estate                                       | 166.45               | 13.52                |
|         | <b>Total Segment Profit Before Interest and Tax</b> | <b>(2,974.17)</b>    | <b>(5,504.71)</b>    |
|         | Less :Interest and other financial cost             | 245.78               | 376.02               |
|         | Foreign exchange loss/(gain)                        | 12.41                | 143.08               |
|         | Exceptional items                                   | -                    | 252.83               |
|         | <b>Profit Before Tax</b>                            | <b>(3,232.36)</b>    | <b>(6,276.64)</b>    |
| 3       | Capital Employed                                    |                      |                      |
|         | (Segment assets - Segment liabilities)              |                      |                      |
|         | - Tiles and other related products                  | 76,296.19            | 80,086.92            |
|         | - Real estate                                       | 35,443.46            | 35,384.65            |
|         | - Unallocated/ Corporate                            | 6,397.04             | 6,684.18             |
|         | <b>Total Capital Employed</b>                       | <b>1,18,136.69</b>   | <b>1,22,155.75</b>   |

**B. Geographical Segment**

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

(₹ in Lacs)

| Particulars                                  | India                     |                           | Rest of the world         |                           | Total                     |                           |
|----------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                              | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 |
| Segment revenue                              | 70,497.39                 | 79,743.32                 | 1,782.17                  | 1,590.18                  | 72,279.56                 | 81,333.50                 |
| Carrying cost of Segment assets              | 1,36,928.28               | 1,42,871.87               | 141.80                    | 207.19                    | 1,37,070.08               | 1,43,079.06               |
| Addition of fixed assets and tangible assets | 879.35                    | 654.92                    | -                         | -                         | 879.35                    | 654.92                    |

**36. Disclosure of transactions of Specified Bank Notes (SBNs) and Other Denomination Notes during the period from November 08, 2016 to December 30, 2016**

(₹ in Lacs)

| Particulars                                         | SBNs  | Other denomination notes | Total |
|-----------------------------------------------------|-------|--------------------------|-------|
| <b>Closing cash in hand as on November 08, 2016</b> | 59.07 | 1.94                     | 61.01 |
| (+) Permitted receipts                              | -     | 17.34                    | 17.34 |
| (-) Permitted payments                              | 0.14  | 5.97                     | 6.11  |
| (-) Exchange in bank branch                         | 0.04  | -                        | 0.04  |
| (-) Amount deposited in Banks                       | 58.89 | 7.62                     | 66.51 |
| <b>Closing cash in hand as on December 30, 2016</b> | -     | 5.69                     | 5.69  |

**37. Contingent Liability**

(₹ in Lacs)

| Particulars                                                                                                        | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Guarantees / Counter Guarantees given by the company / by banks on behalf of company                               | 3,756.85                  | 3,751.85                  |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)   | 11.33                     | 84.56                     |
| Demands against the company not acknowledged as debts and not provided for against which the company is in appeal: |                           |                           |
| Excise Duty                                                                                                        | 2,041.16                  | 2,006.65                  |
| Custom Duty                                                                                                        | 345.37                    | 751.57                    |
| Penalty levied by DGFT, Delhi (refer to note (c) below)                                                            | 16,980.00                 | 16,980.00                 |
| Sales Tax                                                                                                          | 1,205.13                  | 1,196.46                  |
| Income tax                                                                                                         | 64.36                     | 64.36                     |
| Legal matters                                                                                                      | 110.34                    | 111.52                    |

(a) The Company is involved in a number of appellate, judicial and adjudication proceedings concerning matters arising in the course of conduct of the Company's businesses (including taxation matters). Some of the proceedings in respect of matters under litigation are in early stages and in some other cases the claims are indeterminate. Management is generally unable to reasonably estimate a range of possible loss for proceedings or dispute in such matters.

(b) Show cause notice for recovery Anti-dumping duty

Commissioner of Customs based on the investigation of Directorate of Revenue Intelligence, had issued show cause notice in 2011 for recovery of anti-dumping duty of ₹329.44 crore on vitrified tiles imported during the period 2004-09. The adjudicating authority vide its order dated April 28, 2017 has set aside the show cause notice and no antidumping duty is payable on the said imports.

(c) Penalty levied by DGFT

The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹170 crore for irregular/non fulfillment 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.

## 38. Corporate Debt Restructuring

The Company's business model until FY12, was largely dependent on imported tiles outsourced from China. The company suffered losses on account of sudden sharp depreciation of Rupee towards later part of calendar year 2011 which had high impact on the landed cost of tiles, adversely affecting the financial performance of the Company and its cash flow. Consequently the Company made a reference to Corporate Debt Restructuring (CDR) Cell in May 2012 for comprehensive restructuring of its loan liabilities and accordingly CDR cell sanctioned a scheme of restructuring vide Letter of Approval (LOA) dated December 26, 2012, and the lenders executed Master Restructuring Agreement (MRA) on March 06, 2013. The said package sanctioned Funded Interest Term Loan (FITL) for 18 months from the Cut Off date and moratorium for principal repayment for 24 months. The working capital lenders were to provide additional working capital of ₹ 30 crore fund based and ₹ 147 crore non fund based facility. The package also envisaged disposal of non core assets of ₹ 555 crore until March 2016.

However due to adverse market conditions, the non core assets could not be disposed of and the working capital lenders failed to release additional working capital facilities as per the approved CDR package. Consequently the Company defaulted on its obligation to its lenders and all CDR lenders have classified the Company's debts as Non Performing Asset (NPA). Consequently, due to failure of the package, the Company has exited from CDR mechanism in March 2015.

Fifteen Lenders aggregating approximately 89% of overall CDR debts of the Company have assigned their debts to an Asset Reconstruction Company (ARC). The Company has requested ARC for sustainable restructuring of its loan liability. Since the net worth of the Company has been fully eroded and the uncertainty involved in ultimate outflow, the Company has not provided for unpaid interest. Had the interest as per Loan Agreements been provided for, the interest for the year ended March 31, 2017 would have been higher by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs), Losses for the year ended March 31, 2017 would have been higher by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs), corresponding bank liability would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as on March 31, 2017.

39. Previous year's figures have been regrouped / restated / reclassified / rearranged wherever necessary to make them comparable with those of the current year.

In terms of our Report of even date annexed

**For and on behalf of the Board of Directors**

For **A. Husein Noumanali & Co.**

Chartered Accountant

Firm Registration No. 107173W

**Vivek Talwar**

Chairman & Managing Director

DIN 00043180

**Pradeep Saxena**

Director

DIN 00288321

**Sharath Bolar**

Director

DIN 07009701

**Bharti Dhar**

Director

DIN 00442471

**A. Husein Noumanali**

Proprietor, Membership No 14757

Mumbai, May 30, 2017

**Ajith Babu**

Chief Executive Officer

**Bhaskar Borkar**

Chief Financial Officer

**Puneet Motwani**

Company Secretary

# INDEPENDENT AUDITORS' REPORT

To the Members of NITCO Limited

## Report on the Consolidated Financial Statement

1. We have audited the accompanying consolidated financial statements of NITCO Limited ("hereinafter referred to as the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## QUALIFIED OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, **except** for the matters illustrated and described in the **Basis for Qualified Opinion** herein below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

## BASIS FOR QUALIFIED OPINION

8. **The Holding Company has not provided for interest on financing facilities amount to ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) for the year ended March 31, 2017. Had the same been provided, the loss for the year ended March 31, 2017 would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and corresponding bank liabilities would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as at March 31, 2017 and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs)**

**EMPHASIS OF MATTER**

9. Without qualifying, attention is drawn as under:

- a) Financial Statement has been prepared on a going concern basis. The Holding Company has incurred a net loss after tax of ₹ 3232.36 Lacs (previous year ₹ 6276.64) Lacs during the year ended March 31, 2017 and the Holding Company's net worth has been fully eroded as at the balance sheet date. The appropriateness of the going concern basis is inter alia dependent on the Holding Company's ability to turnaround of its operations and ability of infusing requisite funds for meeting its obligations and rescheduling of debts.
- b) Note no. 34 to the consolidated financial statements relating to Corporate Debt Restructuring (CDR) of Holding Company.
- c) The dues of Holding Company to banks / lenders are subject to reconciliation.

**OTHER MATTERS**

10. a) We did not audit the financial statements of fourteen subsidiaries whose financial statements reflects total assets aggregating ₹ 35,686.52 Lacs, liabilities aggregating ₹ 30,374.08 Lacs as at March 31, 2017, income aggregating ₹ 15,388.44 Lacs and expenses ₹ 15,309.04 Lacs for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements of one subsidiary whose total assets aggregating ₹ 6.01 Lacs, liabilities aggregating ₹ 0.42 Lacs as at March 31, 2017, income aggregating ₹ Nil and expenses ₹ Nil for the year then ended, as considered in the consolidated financial statements. These financial statements have not been audited and have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) Of Section 143 of the Act, as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements 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 certified by the Management.

**Report on Other Legal and Regulatory Requirements**

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Holding Company, and its subsidiaries including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited (also refer paragraph 10 above).
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries including relevant records relating to the preparation of the consolidated financial statements as it appears from our examination of those books and records of the Holding Company and the reports of other auditors in respect of entities audited by them and representation received from the management for entities un-audited, (also refer paragraphs 10 above).
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited, for all the entities incorporated in India (also refer paragraphs 10 above), none of the directors of the Group companies is disqualified as on March 31, 2017 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 Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements.
  - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts as at March 31, 2017.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies in India during the year ended March 31, 2017.
  - (iv) In the consolidated financial statements, holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, by the Holding Company and its subsidiary companies in India has been requisitely disclosed, on the basis of information available with the Company. Based on the audit procedures performed and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Holding Company and its subsidiary companies in India and as produced to us by the management and the reports of other auditors. – Refer Note 32.

**For A. Husein Noumanali & Co.**

Chartered Accountants

Firm Registration No. 107173W

**(A. Husein Noumanali)**

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

# Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of NITCO Limited on the consolidated financial statements for the year ended March 31, 2017

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of NITCO Limited (hereinafter referred to as "the Holding Company"), and its subsidiary companies as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities un-audited referred to in the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting, principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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### Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to fourteen subsidiary companies which companies are incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

### For A. Husein Noumanali & Co.

Chartered Accountants

Firm Registration No. 107173W

### (A. Husein Noumanali)

Proprietor

Membership No. 14757

Mumbai, May 30, 2017

# CONSOLIDATED BALANCE SHEET

as at March 31, 2017

(₹ in Lacs)

| Particulars                             | Note | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------|------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>        |      |                         |                         |
| <b>1 Shareholders' funds</b>            |      |                         |                         |
| (a) Share capital                       | 1    | 5,469.93                | 5,469.93                |
| (b) Reserves and surplus                | 2    | (18,548.63)             | (15,273.13)             |
| <b>Total Shareholders' Funds</b>        |      | <b>(13,078.70)</b>      | <b>(9,803.20)</b>       |
| <b>2 Minority Interest</b>              |      | 1,972.35                | 1,917.38                |
| <b>3 Non-current liabilities</b>        |      |                         |                         |
| (a) Long-term borrowings                | 3    | 46,965.02               | 66,137.31               |
| (b) Deferred tax liabilities (Net)      |      | 2,715.09                | 2,766.23                |
| (c) Other Long term liabilities         | 4    | 125.77                  | 135.17                  |
| (d) Long-term provisions                | 5    | 182.67                  | 236.09                  |
| <b>Total Non-Current Liabilities</b>    |      | <b>49,988.55</b>        | <b>69,274.80</b>        |
| <b>4 Current liabilities</b>            |      |                         |                         |
| (a) Short-term borrowings               | 6    | 12,923.22               | 13,020.47               |
| (b) Trade payables                      | 7    | 16,634.10               | 18,233.33               |
| (c) Other current liabilities           | 8    | 78,607.75               | 60,171.13               |
| (d) Short-term provisions               | 9    | 198.82                  | 295.30                  |
| <b>Total Current Liabilities</b>        |      | <b>1,08,363.89</b>      | <b>91,720.23</b>        |
| <b>TOTAL - Equity &amp; Liabilities</b> |      | <b>1,47,246.09</b>      | <b>1,53,109.21</b>      |
| <b>II. ASSETS</b>                       |      |                         |                         |
| <b>1 Non-current assets</b>             |      |                         |                         |
| (a) Fixed Assets                        | 10   |                         |                         |
| (i) Tangible assets                     |      | 62,224.08               | 66,238.99               |
| (ii) Capital work-in-progress           |      | 297.48                  | 296.48                  |
| (iii) Intangible assets                 |      | 323.77                  | 323.73                  |
| <b>Total Fixed Assets</b>               |      | <b>62,845.33</b>        | <b>66,859.20</b>        |
| (b) Non-current investments             | 12   | 25.00                   | 25.00                   |
| (c) Long-term loans and advances        | 13   | 5,632.19                | 5,607.15                |
| <b>Other Non-Current Assets</b>         |      | <b>5,657.19</b>         | <b>5,632.15</b>         |
| <b>2 Current Assets</b>                 |      |                         |                         |
| (a) Current investments                 | 14   | 0.15                    | 0.15                    |
| (b) Inventories                         | 15   | 19,998.65               | 19,949.49               |
| (c) Inventories - Real Estate           | 16   | 29,980.38               | 29,966.32               |
| (d) Trade receivables                   | 17   | 15,019.98               | 15,676.82               |
| (e) Cash and cash equivalents           | 18   | 2,081.03                | 2,459.33                |
| (f) Short-term loans and advances       | 19   | 5,684.18                | 6,102.39                |
| (g) Other current assets                | 20   | 5,979.20                | 6,463.36                |
| <b>Total Current Assets</b>             |      | <b>78,743.57</b>        | <b>80,617.86</b>        |
| <b>TOTAL - Assets</b>                   |      | <b>1,47,246.09</b>      | <b>1,53,109.21</b>      |

As per our Report of even date

For and on behalf of the Board of Directors

For **A. Husein Noumanali & Co.**  
Chartered Accountant  
Firm Registration No. 107173W

**Vivek Talwar**  
Chairman & Managing Director  
DIN 00043180

**Pradeep Saxena**  
Director  
DIN 00288321

**Sharath Bolar**      **Bharti Dhar**  
Director                      Director  
DIN 07009701      DIN 00442471

**A. Husein Noumanali**  
Proprietor, Membership No 14757  
Mumbai, May 30, 2017

**Ajith Babu**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Lacs)

| Particulars                                                                   | Note | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|-------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>I. Revenue From Operations</b>                                             |      |                              |                              |
| Sale of products                                                              | 21   | 77,207.68                    | 86,111.52                    |
| Less: Sales Tax                                                               |      | 3,184.30                     | 4,288.31                     |
| <b>Net sales of products</b>                                                  |      | <b>74,023.38</b>             | <b>81,823.21</b>             |
| Other operating revenues                                                      |      | 463.12                       | 425.58                       |
| <b>Net Sales</b>                                                              |      | <b>74,486.50</b>             | <b>82,248.79</b>             |
| <b>II. Other income</b>                                                       |      | <b>187.09</b>                | <b>150.10</b>                |
| <b>III. Total Revenue (I + II)</b>                                            |      | <b>74,673.59</b>             | <b>82,398.89</b>             |
| <b>IV. Expenses:</b>                                                          |      |                              |                              |
| Cost of materials consumed                                                    | 22   | 22,264.32                    | 27,390.02                    |
| Purchases of stock-in-trade                                                   |      | 20,215.02                    | 19,972.76                    |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23   | (862.60)                     | (921.32)                     |
| Excise Duty                                                                   |      | 2,911.37                     | 3,379.16                     |
| Employee benefits expense                                                     | 24   | 8,141.07                     | 7,766.39                     |
| Finance costs                                                                 | 25   | 787.88                       | 1,207.18                     |
| Depreciation and amortization expense                                         | 10   | 4,966.88                     | 6,254.14                     |
| Other expenses                                                                | 26   | 19,502.42                    | 22,810.23                    |
| <b>Total Expenses</b>                                                         |      | <b>77,926.36</b>             | <b>87,858.56</b>             |
| <b>V. Loss before exceptional items and tax (III-IV)</b>                      |      | <b>(3,252.77)</b>            | <b>(5,459.67)</b>            |
| VI. Exceptional items                                                         | 30   | -                            | 252.83                       |
| <b>VII. Loss before tax (V - VI)</b>                                          |      | <b>(3,252.77)</b>            | <b>(5,712.50)</b>            |
| <b>VIII Tax expense</b>                                                       |      |                              |                              |
| (1) Current tax                                                               |      | 18.76                        | 103.54                       |
| (2) Deferred tax                                                              |      | (51.14)                      | 16.87                        |
| <b>IX Loss for the period from continuing operations (VII-VIII)</b>           |      | <b>(3,220.39)</b>            | <b>(5,832.91)</b>            |
| X Share of Profit/Loss transferred to Minority Interest                       |      | 54.97                        | 184.86                       |
| <b>XI Loss for the period (IX - X)</b>                                        |      | <b>(3,275.36)</b>            | <b>(6,017.77)</b>            |
| Earnings per equity share:                                                    |      |                              |                              |
| (1) Basic                                                                     |      | (5.99)                       | (11.00)                      |
| (2) Diluted                                                                   |      | (5.99)                       | (11.00)                      |

As per our Report of even date

For **A. Husein Noumanali & Co.**

Chartered Accountant

Firm Registration No. 107173W

For and on behalf of the Board of Directors

**Vivek Talwar**

Chairman &amp; Managing Director

DIN 00043180

**Pradeep Saxena**

Director

DIN 00288321

**Sharath Bolar**

Director

DIN 07009701

**Bharti Dhar**

Director

DIN 00442471

**A. Husein Noumanali**

Proprietor, Membership No 14757

Mumbai, May 30, 2017

**Ajith Babu**

Chief Executive Officer

**Bhaskar Borkar**

Chief Financial Officer

**Puneet Motwani**

Company Secretary

# CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in Lacs)

| Particulars                                                                                                   | As at March 31, 2017 |                   | As at March 31, 2016 |                   |
|---------------------------------------------------------------------------------------------------------------|----------------------|-------------------|----------------------|-------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                 |                      |                   |                      |                   |
| Profit Before Tax                                                                                             |                      | (3,252.77)        |                      | (5,712.50)        |
| Adjustments for                                                                                               |                      |                   |                      |                   |
| Depreciation and amortisation expense (net)                                                                   | 4,966.88             |                   | 6,254.14             |                   |
| (Profit) / loss on sale / write off of assets (net)                                                           | 5.63                 |                   | 11.91                |                   |
| Other Income                                                                                                  | (187.09)             |                   | (150.10)             |                   |
| Bad debts written off (net)                                                                                   | 0.43                 |                   | 179.60               |                   |
| Provision for doubtful debts                                                                                  | 18.31                |                   | 173.76               |                   |
| Finance costs (net)                                                                                           | 775.47               |                   | 1,064.10             |                   |
| Net unrealised exchange (gain) / loss                                                                         | 12.41                |                   | 143.08               |                   |
|                                                                                                               |                      | 5,592.04          |                      | 7,676.49          |
| Operating Profit Before Working Capital Changes                                                               |                      | 2,339.27          |                      | 1,963.99          |
| Changes in working capital                                                                                    |                      |                   |                      |                   |
| Adjustments for (increase) / decrease in operating assets:                                                    |                      |                   |                      |                   |
| Inventories                                                                                                   | (63.22)              |                   | (36.15)              |                   |
| Trade receivables                                                                                             | 638.10               |                   | (3,555.29)           |                   |
| Loans and advances                                                                                            | 388.87               |                   | (1,260.60)           |                   |
| Other current assets                                                                                          | 557.20               |                   | 1,298.38             |                   |
| Margin Money held with Bank                                                                                   | 29.34                |                   | (13.66)              |                   |
| Other non-current assets                                                                                      | (25.04)              |                   | 31.82                |                   |
|                                                                                                               | 1,525.25             |                   | (3,535.50)           |                   |
| Adjustments for increase / (decrease) in operating liabilities:                                               |                      |                   |                      |                   |
| Trade payables and Other current liabilities                                                                  | (816.33)             |                   | 2,475.72             |                   |
| Other non-current liabilities                                                                                 | (113.96)             |                   | 35.07                |                   |
|                                                                                                               | (930.29)             |                   | 2,510.79             |                   |
|                                                                                                               |                      | 594.96            |                      | (1,024.71)        |
| Cash Generated From Operations                                                                                |                      | 2,934.23          |                      | 939.28            |
| Direct Taxes Paid (net of refund of taxes)                                                                    |                      | (40.66)           |                      | (81.69)           |
| <b>Net Cash Flow From Operating Activities (A)</b>                                                            |                      | <b>2,893.57</b>   |                      | <b>857.59</b>     |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                 |                      |                   |                      |                   |
| Capital expenditure on fixed assets (net) (after adjustment of increase/decrease in capital work-in-progress) | (958.64)             |                   | (1,249.90)           |                   |
| Other Income                                                                                                  | 187.09               |                   | 150.10               |                   |
| Current / Non-current Investments                                                                             | 0.00                 |                   | 0.00                 |                   |
|                                                                                                               |                      | (771.55)          |                      | (1,099.80)        |
| <b>Net Cash Flow Used In Investing Activities (B)</b>                                                         |                      | <b>(771.55)</b>   |                      | <b>(1,099.80)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                 |                      |                   |                      |                   |
| Net increase / (decrease) in Minority Interest                                                                | 54.97                |                   | 184.87               |                   |
| Net increase / (decrease) in reserve on Consolidation                                                         | (55.11)              |                   | (213.99)             |                   |
| Net increase / (decrease) in other than short-term borrowings                                                 | (1,615.05)           |                   | (2,078.38)           |                   |
| Net increase / (decrease) in short-term borrowings                                                            | (97.25)              |                   | 3,543.39             |                   |
| Finance costs (Net)                                                                                           | (775.47)             |                   | (1,064.10)           |                   |
|                                                                                                               |                      | (2,487.91)        |                      | 371.79            |
| <b>Net Cash Flow From / (Used In) Financing Activities (C)</b>                                                |                      | <b>(2,487.91)</b> |                      | <b>371.79</b>     |
| <b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>                                                      |                      | <b>(365.89)</b>   |                      | <b>129.58</b>     |

| (₹ in Lacs)                                                                                                                                      |                      |                 |                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------|
| Particulars                                                                                                                                      | As at March 31, 2017 |                 | As at March 31, 2016 |
| Cash and cash equivalents at the beginning of the year                                                                                           |                      | 2,459.33        | 2,472.83             |
| Effect of exchange differences on restatement of foreign currency                                                                                |                      | (12.41)         | (143.08)             |
| <b>Cash and Cash Equivalents At The End Of The Year</b>                                                                                          |                      | <b>2,081.03</b> | <b>2,459.33</b>      |
| Cash and cash equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 16 [Refer Footnote (ii)]             |                      | 2,081.03        | 2,459.33             |
| Footnotes:                                                                                                                                       |                      |                 |                      |
| (i) The consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3-Cash Flow Statements. |                      |                 |                      |
| (ii) Cash and cash equivalents at the end of the year comprises:                                                                                 |                      |                 |                      |
| (a) Cash on hand                                                                                                                                 |                      | 18.85           | 42.51                |
| (b) In current accounts                                                                                                                          |                      | 2,061.17        | 2,415.48             |
| (c) In earmarked accounts - Unpaid dividend accounts                                                                                             |                      | 1.01            | 1.34                 |
|                                                                                                                                                  |                      | 2,081.03        | 2,459.33             |
| (iii) Previous year's figures have been regrouped to conform with those of the current year.                                                     |                      |                 |                      |

As per our Report of even date

For and on behalf of the Board of Directors

For **A. Husein Noumanali & Co.**  
Chartered Accountant  
Firm Registration No. 107173W

**Vivek Talwar**  
Chairman & Managing Director  
DIN 00043180

**Pradeep Saxena**  
Director  
DIN 00288321

**Sharath Bolar**  
Director  
DIN 07009701

**Bharti Dhar**  
Director  
DIN 00442471

**A. Husein Noumanali**  
Proprietor, Membership No 14757  
Mumbai, May 30, 2017

**Ajith Babu**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

# NITCO LIMITED

## I. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

### Company Overview

NITCO Limited (the Company) is a public limited company incorporated in India under the provision of the Companies Act, 1956. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Company is engaged in providing floor and wall solutions with a portfolio comprising a comprehensive range of tiles, marbles, mosaico and development of real estate projects.

### A. Basis of Preparation of Consolidated Financial Statements

- The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 2013 Act, as applicable. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.
- With erosion of its net worth, the Company was registered as a sick Company under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board for Industrial & Financial Reconstruction. Despite several constraints faced by the Company including absence of working capital facilities and delayed sale of non core assets, the Group managed to improve its EBITDA from ₹ 20.02 crore to ₹ 25.02 crore during the year. Considering the brand equity enjoyed by the Company, non-core assets identified for sale, and several steps taken by the Company, the management is hopeful of a turnaround in the future. The management therefore believes, it is appropriate to prepare the financial statement on going concern basis.
- The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis except for non provision of interest as described in note no. 34.

### B. Principles of consolidation

The Consolidated Financial Statements relate to NITCO Limited ("the Company"), and its subsidiary companies. The Company and its subsidiaries constitute the Group.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2017.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits have been fully eliminated.
- The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies and joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

### C. The following subsidiary companies are considered in the consolidated financial statements

| Name of the Subsidiary Company            | Country of Incorporation | % of ownership as on March 31, 2017 | % of ownership as on March 31, 2016 |
|-------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <b>Subsidiaries</b>                       |                          |                                     |                                     |
| Nitco Realities Private Limited           | India                    | 100%                                | 100%                                |
| Nitco Holdings HK Company Limited         | Hong Kong                | 100%                                | 100%                                |
| New Vardhman Vitrifed Private Limited     | India                    | 51%                                 | 51%                                 |
| <b>Fellow Subsidiaries</b>                |                          |                                     |                                     |
| Maxwealth Properties Private Limited      | India                    | 100%                                | 100%                                |
| Meghdoot Properties Private Limited       | India                    | 100%                                | 100%                                |
| Roaring - Lion Properties Private Limited | India                    | 100%                                | 100%                                |
| Feel Better Housing Private Limited       | India                    | 100%                                | 100%                                |
| Quick-Solution Properties Private Limited | India                    | 100%                                | 100%                                |

| Name of the Subsidiary Company          | Country of Incorporation | % of ownership as on March 31, 2017 | % of ownership as on March 31, 2016 |
|-----------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Silver-Sky Real Estates Private Limited | India                    | 100%                                | 100%                                |
| Ferocity Properties Private Limited     | India                    | 100%                                | 100%                                |
| Glamorous Properties Private Limited    | India                    | 75%                                 | 75%                                 |
| Nitco IT Parks Private Limited          | India                    | 100%                                | 100%                                |
| Nitco Aviation Private Limited          | India                    | 100%                                | 100%                                |
| Aileen Properties Private Limited       | India                    | 100%                                | 100%                                |
| Opera Properties Private Limited        | India                    | 100%                                | 100%                                |

**D. Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information:**

| Name of the Entities                                  | Net Assets i.e. total assets minus total liabilities |                    | Share in profit / (Loss)      |                   |
|-------------------------------------------------------|------------------------------------------------------|--------------------|-------------------------------|-------------------|
|                                                       | As a % of consolidated net assets                    | Amount (₹ Lacs)    | As a % of consolidated Profit | Amount (₹ Lacs)   |
| <b>Parent :</b>                                       |                                                      |                    |                               |                   |
| NITCO Limited                                         | 102.62%                                              | (13,421.62)        | 100.37%                       | (3,232.36)        |
| <b>Subsidiary:</b>                                    |                                                      |                    |                               |                   |
| <b>Indian</b>                                         |                                                      |                    |                               |                   |
| Nitco Realities Pvt. Ltd.                             | (6.85%)                                              | 896.19             | 0.02%                         | (0.61)            |
| New Vardhman Vittrified Pvt. Ltd.                     | (31.47%)                                             | 4,115.44           | (3.49%)                       | 112.32            |
| <b>Foreign</b>                                        |                                                      |                    |                               |                   |
| Nitco Holding HK Company Ltd.                         | (0.04%)                                              | 5.59               | 0.00%                         | -                 |
| <b>Sub Total</b>                                      | <b>64.26%</b>                                        | <b>(8,404.40)</b>  | <b>96.90%</b>                 | <b>(3,120.65)</b> |
| Inter-company Elimination & Consolidation Adjustments | 35.74%                                               | (4,674.30)         | 3.10%                         | (99.74)           |
| <b>Grand Total</b>                                    | <b>100.00%</b>                                       | <b>(13,078.70)</b> | <b>100.00%</b>                | <b>(3,220.39)</b> |
| Minority Interest in Subsidiaries                     |                                                      | 1,972.35           |                               | 54.97             |

**E. Use of Estimate**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**F. Revenue recognition**

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

Income from export incentives such as duty drawback and premium on sale of import licences, and lease license fee are recognised on accrual basis.

Income from Property Development Activity is recognised in terms of arrangements with developers, where applicable.

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

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.

**G. Fixed Assets and Capital Work in Progress**

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. 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. Costs are adjusted for grants available to the company which are recognized based on reasonable assurance that the company will comply with the conditions attached to the grant and it is reasonably certain that the ultimate collection of grants will be made.

## NITCO LIMITED

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. Intangible assets exclude the operating software, which forms an integral part of the hardware.

Capital Work In Progress include cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

### H. Depreciation

The Company has revised its policy of providing depreciation on fixed assets effective April 1, 2014. 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. The aggregate depreciation provided as per the requirement of Part C of Schedule II to Companies Act 2013. Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

**The useful lives of the major assets from the year of capitalisation of the assets/ rates of depreciation are estimated as follows:**

| Class of assets                       | Basis | Useful life/ rate of depreciation |
|---------------------------------------|-------|-----------------------------------|
| Buildings other than factory building | SLM   | 60 years                          |
| Factory building                      | SLM   | 30 years                          |
| Plant and machineries                 | SLM   | 15 - 25 years                     |
| Office equipments                     | SLM   | 5 years                           |
| Office equipments – mobile            | SLM   | 2 years                           |
| Computers and related assets          | SLM   | 3 - 6 years                       |
| Electrical installations              | SLM   | 10 years                          |
| Furniture and fixtures                | SLM   | 10 years                          |
| Motor vehicles                        | SLM   | 4 years                           |
| Windmills                             | SLM   | 22 years                          |
| Computer software                     | SLM   | 5 years                           |
| Boat                                  | SLM   | 13 years                          |

### I. Expenditure during construction period

In case of new projects and substantial expansion of existing factories, expenditure incurred, including trial production expenses and attributable interest and financing costs, prior to commencement of commercial production are capitalized.

### J. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on change in circumstances.

### K. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued on the following basis:

- Stores and Spares - at moving weighted average basis.
- Raw Materials - at moving weighted average basis.
- Work-in-Process - at estimated cost
- Finished Goods - at lower of cost or estimated realisable value.
- Stock in trade - at moving weighted average basis or estimated realisable value.
- Material in Transit - at cost

### L. Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Forward exchange contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any are recognised in the Statement of Profit and Loss, and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

**M. Employee Benefits**

- i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

**N. Provision for Current and Deferred Tax**

Tax expense for the year comprises current tax and deferred tax.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**O. Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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 the obligation or a reliable estimate of the amount cannot be made.

**P. Financial Derivatives and Hedging Transactions**

In respect of Derivatives Contracts, premium paid provision for losses on restatement and gains / losses on settlement are recognised in Statement of Profit and Loss.

**Q. Finance Costs**

- i. Finance costs, less any income on the temporary investment out of those borrowings that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset.
- ii. Other finance costs are recognized as expense in the period in which they are incurred.

**R. Leases**

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

**S. Investments**

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary. Current investments are stated at cost or fair value whichever is lower. Cost is determined on a weighted average basis.

## NITCO LIMITED

### T. Customs & Excise Duty/Service Tax and Sales Tax/Value Added Tax

Customs & Excise Duty/Service Tax have been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in bonded warehouses. Sales tax/Value Added Tax paid is charged to profit and Loss account

### U. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

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".

### V. 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 the case may be. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

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

## II. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 1. Share capital

| (₹ in Lacs)                                                          |                         |                         |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| <b>Authorised:</b>                                                   |                         |                         |
| 6,00,00,000 (6,00,00,000) Equity shares of ₹ 10/- each               | 6,000.00                | 6,000.00                |
|                                                                      | <b>6,000.00</b>         | <b>6,000.00</b>         |
| Issued, subscribed and paid up:                                      |                         |                         |
| 5,46,99,338 (5,46,99,338) Equity shares of ₹ 10/- each fully paid up | 5,469.93                | 5,469.93                |
| <b>Total</b>                                                         | <b>5,469.93</b>         | <b>5,469.93</b>         |

Out of the above equity shares, 41,80,299 equity shares had been allotted pursuant to court approved schemes of amalgamation / merger for consideration other than cash.

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding balance sheet date.

#### 1.1. Terms, Rights, Preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote on show of hands and in case of poll, one vote per equity share. A member shall not have any right to vote whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. All equity shares of the Company rank pari passu in all respects including the right to dividend.

#### 1.2. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

| Particulars                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | No. of shares           | No. of shares           |
| Equity shares at the beginning of the year | 5,46,99,338             | 5,46,99,338             |
| Equity shares at the close of the year     | 5,46,99,338             | 5,46,99,338             |

**1.3. The details of shareholders holding more than 5% shares in the company**

| Name of the shareholder                       | No. of Shares | % held as at March 31, 2017 | No. of Shares | % held as at March 31, 2016 |
|-----------------------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| Aurella Estates & Investments Private Limited | 2,56,76,949   | 46.94                       | 2,56,76,949   | 46.94                       |
| Vivek Prannath Talwar                         | 63,23,669     | 11.56                       | 63,23,669     | 11.56                       |

**2. Reserves and surplus**

| (₹ in Lacs)                                  |                      |                      |
|----------------------------------------------|----------------------|----------------------|
| Particulars                                  | As at March 31, 2017 | As at March 31, 2016 |
| <b>Capital Reserve</b>                       |                      |                      |
| As per last year balance sheet               | 325.61               | 325.61               |
| (+) /(-) Created on consolidation            | 0.05                 | 0.07                 |
| (+) /(-) Contra with Profit and Loss Account | -                    | -                    |
| Closing Balance                              | 325.66               | 325.68               |
| <b>Capital Redemption Reserve</b>            |                      |                      |
| As per last year balance sheet               | 966.00               | 966.00               |
| <b>Securities Premium Account</b>            |                      |                      |
| As per last year balance sheet               | 35,471.47            | 35,471.47            |
| <b>Closing balance</b>                       | <b>35,471.47</b>     | <b>35,471.47</b>     |
| <b>General Reserve</b>                       |                      |                      |
| As per last year balance sheet               | 3,846.91             | 3,846.91             |
| <b>Closing balance</b>                       | <b>3,846.91</b>      | <b>3,846.91</b>      |
| <b>Foreign Currency Translation Reserve</b>  |                      |                      |
| Closing Balance                              | (0.13)               | (0.01)               |
| <b>Balance in Profit &amp; Loss Account</b>  |                      |                      |
| Opening balance                              | (55,883.18)          | (49,840.03)          |
| (+) Net (Loss) For the current year          | (3,275.36)           | (6,017.77)           |
| (-) Adjustments                              | -                    | (25.38)              |
| <b>Closing Balance</b>                       | <b>(59,158.54)</b>   | <b>(55,883.18)</b>   |
| <b>Total</b>                                 | <b>(18,548.63)</b>   | <b>(15,273.13)</b>   |

**3. Long term borrowings****3.1. Long-Term Borrowings (Refer to note 34)**

| (₹ in Lacs)                                     |                      |                      |
|-------------------------------------------------|----------------------|----------------------|
| Particulars                                     | As at March 31, 2017 | As at March 31, 2016 |
| Term Loans - from banks/ financial institutions | 5,340.02             | 10,707.11            |
| Term Loans - from other parties                 | 41,544.03            | 55,272.37            |
| Long term maturities of finance lease           | 80.97                | 157.83               |
| <b>Total</b>                                    | <b>46,965.02</b>     | <b>66,137.31</b>     |

- The Company has been incurring losses since FY 2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Accordingly, there were defaults in the payment of obligations to banks and relevant loan accounts – term loans, cash credits and other non-fund based credits.
- No provision has been made for interest unpaid to CDR lenders.
- Classification of long term borrowings is based on Corporate Debt Restructuring documents.

## 3.2 Interest and repayment schedule for long term borrowings:

| Type                                                                                                                    | Total Long Term Debt of the Company as on March 31, 2017 | Shown under "Long Term Borrowings" as on March 31, 2017 | Current maturities of long term debt included in "Other Current Liabilities" as at March 31, 2017 | Interest rate % as at year end | Repayment schedule                                                                                          | Nature of security                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Secured Term loans from banks &amp; financial institution covered under Corporate Debt Restructuring package</b>     |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Term loan                                                                                                               | 40,167.51                                                | 18,149.27                                               | 22,018.24                                                                                         | 11.25%                         | 32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Working capital term loan – I                                                                                           | 15,723.91                                                | 5,450.80                                                | 10,273.11                                                                                         | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Working capital term loan – II                                                                                          | 44,918.95                                                | 15,671.03                                               | 29,247.92                                                                                         | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Funded Interest term loan                                                                                               | 15,064.77                                                | 5,211.76                                                | 9,853.00                                                                                          | 10.75%                         | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package    | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| <b>Total</b>                                                                                                            | <b>1,15,875.14</b>                                       | <b>44,482.86</b>                                        | <b>71,392.27</b>                                                                                  |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| <b>Secured Term loans from banks &amp; financial institution not covered under Corporate Debt Restructuring package</b> |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |
| Term loan from others                                                                                                   | 308.91                                                   | 0                                                       | 308.91                                                                                            | 3M LIBOR plus 2.60%            | 12 structured quarterly installments commencing from March 31, 2015                                         | Pari passu first charge on Silvassa Plant and guaranteed by promoter.                                                                                                                                                                                                       |
| Term loan from others                                                                                                   | 841.67                                                   | 569.00                                                  | 272.67                                                                                            | 13.95%                         | 24 quarterly installments commencing from September 2014                                                    | Exclusive charge on 6 windmills by way of hypothecation. Exclusive charge on Escrow account wherein receivables from windmills are received; personal guarantee of Mr. Vivek Talwar.                                                                                        |
| Term loan from others                                                                                                   | 847.67                                                   | 575.01                                                  | 272.67                                                                                            | 13.95%                         | 24 quarterly installments commencing from September 2014                                                    | Pari passu first charge on Silvassa plant and personal guarantee of Mr. Vivek Talwar                                                                                                                                                                                        |
| Vehicle loans                                                                                                           | 108.89                                                   | 75.36                                                   | 33.53                                                                                             | 10% to 14%                     | Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan. | Secured against the hypothecation of underlying company owned vehicles.                                                                                                                                                                                                     |
| <b>Total</b>                                                                                                            | <b>2,107.14</b>                                          | <b>1,219.37</b>                                         | <b>887.78</b>                                                                                     |                                |                                                                                                             |                                                                                                                                                                                                                                                                             |

| Type                                                                                                                    | Total Long Term Debt of the Company as on March 31, 2017 | Shown under "Long Term Borrowings" as on March 31, 2017 | Current maturities of long term debt included in "Other Current liabilities" as at March 31, 2017 | Interest rate % as at year end | Repayment schedule                                                                                          | Nature of security                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Secured Term loans from banks &amp; financial institution not covered under Corporate Debt Restructuring package</b> |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                         |
| Term loan from bank                                                                                                     | 1,791.79                                                 | 566.79                                                  | 1,225.00                                                                                          | 14.50%                         | 60 quarterly installments commencing from October 2012.                                                     | First charge on the fixed assets of Wakaner plant. Further, secured by personal guarantee by promoters. |
| Vehicle loans                                                                                                           | 13.02                                                    | 5.61                                                    | 7.41                                                                                              | 12% to 16%                     | Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan. | Secured against the hypothecation of underlying company owned vehicles.                                 |
| <b>Total</b>                                                                                                            | <b>1,804.81</b>                                          | <b>572.40</b>                                           | <b>1,232.41</b>                                                                                   |                                |                                                                                                             |                                                                                                         |
| <b>Unsecured Long term loan by Subsidiary Company</b>                                                                   |                                                          |                                                         |                                                                                                   |                                |                                                                                                             |                                                                                                         |
| From Others                                                                                                             | 690.39                                                   | 690.39                                                  | -                                                                                                 | -                              | Payable on demand after 3 years                                                                             | Unsecured                                                                                               |
| <b>Total</b>                                                                                                            | <b>690.39</b>                                            | <b>690.39</b>                                           | <b>-</b>                                                                                          |                                |                                                                                                             |                                                                                                         |
| <b>Grand Total</b>                                                                                                      | <b>1,20,477.48</b>                                       | <b>46,965.02</b>                                        | <b>73,512.46</b>                                                                                  |                                |                                                                                                             |                                                                                                         |

(Note: Balances with banks, financial institution and other parties etc are subject to reconciliations/ confirmations.)

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### 4. Other Long Term Liabilities

(₹ in Lacs)

| Particulars        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------|-------------------------|-------------------------|
| Others Liabilities | 125.77                  | 135.17                  |
| <b>Total</b>       | <b>125.77</b>           | <b>135.17</b>           |

### 5. Long term provisions

(₹ in Lacs)

| Particulars                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------|-------------------------|-------------------------|
| Provision for Leave Encashment | 182.67                  | 236.09                  |
| <b>Total</b>                   | <b>182.67</b>           | <b>236.09</b>           |

### 6. Short Term Borrowings (Refer to note 34)

(₹ in Lacs)

| Particulars                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------------|-------------------------|-------------------------|
| Loan Repayable on Demand           |                         |                         |
| <b>Secured</b>                     |                         |                         |
| <b>From Banks</b>                  |                         |                         |
| - Cash Credit – Holding Company*   | 11,357.41               | 11,442.40               |
| - Cash Credit – Subsidiary Company | 1,565.81                | 1,578.07                |
| <b>Total</b>                       | <b>12,923.22</b>        | <b>13,020.47</b>        |

\*[Above figures includes LC devolvement of ₹ NIL Lacs (previous year ₹ 5,261.34 Lacs)]

- The Company has been incurring losses since FY 2011-12 onwards which has resulted in erosion of its net worth and depletion in its working capital. Accordingly, there were defaults in the payment of obligations to banks and relevant loan accounts – term loans, cash credits and other non-fund based credits.
- No provision has been made for unpaid interest to CDR lenders.
- Working capital loan from banks are secured against the 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.

### 7. Trade payable

(₹ in Lacs)

| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | 1,103.43                | 2,434.85                |
| Other                               | 15,530.67               | 15,798.48               |
| <b>Total</b>                        | <b>16,634.10</b>        | <b>18,233.33</b>        |

Credit period varies as per contractual terms of various suppliers/vendors. No interest is generally charged by suppliers/vendors.

**8. Other current liabilities**

(₹ in Lacs)

| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| Current Maturity of Long Term Debt  | 73,512.46               | 55,955.22               |
| Unpaid Dividends                    | 1.01                    | 1.34                    |
| Amount payable to capital creditors | 1,725.79                | 993.01                  |
| Provision for expenses              | 621.53                  | 635.92                  |
| Deposit received                    | 1,200.81                | 1,179.87                |
| Advance from customers              | 20.88                   | 11.88                   |
| Statutory dues payable              | 295.57                  | 167.20                  |
| Other payables                      | 1,229.70                | 1,226.69                |
| <b>Total</b>                        | <b>78,607.75</b>        | <b>60,171.13</b>        |

During the current financial year, ₹ 0.33 Lacs (previous year ₹ 0.27 Lacs) has been transferred to the Investors Education and Protection Fund under the Companies Act, 2013.

**9. Short term provisions**

(₹ in Lacs)

| Particulars                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------|-------------------------|-------------------------|
| Provision for Leave Encashment | 53.27                   | 85.73                   |
| Provision for Gratuity         | 124.64                  | 98.86                   |
| Others                         | 20.91                   | 110.71                  |
| <b>Total</b>                   | <b>198.82</b>           | <b>295.30</b>           |

## 10. Fixed Assets

| Description of Assets                            | Gross Block         |                         | Depreciation        |                   | Net Block           |                     |
|--------------------------------------------------|---------------------|-------------------------|---------------------|-------------------|---------------------|---------------------|
|                                                  | As at<br>01.04.2016 | Additions<br>Deductions | As at<br>31.03.2017 | For the<br>Period | As at<br>31.03.2017 | As at<br>31.03.2016 |
| Freehold Land                                    | 5,945.07            | 112.38                  | 6,057.45            | -                 | -                   | 5,945.07            |
| Buildings                                        | 20,809.96           | -                       | 20,808.97           | 844.81            | 7,350.87            | 14,303.90           |
| Office Equipment                                 | 1,576.04            | 40.25                   | 1,595.02            | 133.60            | 1,448.91            | 240.33              |
| Plant & Machinery                                | 65,314.56           | 750.43                  | 66,064.99           | 3,390.91          | 26,419.51           | 42,285.96           |
| Electrical Installations                         | 1,041.44            | 2.83                    | 1,044.27            | 82.46             | 834.91              | 288.99              |
| Furniture & Fixtures                             | 2,505.11            | 6.42                    | 2,511.53            | 290.92            | 1,923.59            | 872.44              |
| Windmill                                         | 3,680.54            | -                       | 3,680.54            | 151.36            | 2,041.07            | 1,790.83            |
| Livestock                                        | 104.61              | 13.99                   | 118.60              | -                 | -                   | 104.61              |
| <b>Total Owned Assets<br/>(Current Year)</b>     | <b>1,00,977.33</b>  | <b>926.30</b>           | <b>1,01,881.37</b>  | <b>4,894.06</b>   | <b>20.40</b>        | <b>61,862.51</b>    |
| <b>Previous Year</b>                             | <b>1,01,419.24</b>  | <b>1,400.48</b>         | <b>1,00,977.33</b>  | <b>6,193.36</b>   | <b>1,839.61</b>     | <b>70,627.79</b>    |
| Leasehold Land                                   | 145.66              | -                       | 145.66              | 3.01              | 9.03                | 139.64              |
| Motor Vehicles                                   | 907.69              | 28.69                   | 911.87              | 69.81             | 23.35               | 267.22              |
| <b>Total Leasehold Assets<br/>(Current Year)</b> | <b>1,053.35</b>     | <b>28.69</b>            | <b>1,057.53</b>     | <b>72.82</b>      | <b>23.35</b>        | <b>406.86</b>       |
| <b>Previous Year</b>                             | <b>928.19</b>       | <b>197.63</b>           | <b>1,053.35</b>     | <b>60.78</b>      | <b>59.58</b>        | <b>282.90</b>       |
| Goodwill                                         | 323.73              | 0.04                    | 323.77              | -                 | -                   | 323.73              |
| <b>Total Goodwill (Current Year)</b>             | <b>323.73</b>       | <b>0.04</b>             | <b>323.77</b>       | <b>-</b>          | <b>-</b>            | <b>323.73</b>       |
| <b>Previous Year</b>                             | <b>323.70</b>       | <b>0.03</b>             | <b>323.73</b>       | <b>-</b>          | <b>-</b>            | <b>323.70</b>       |
| <b>Total Assets (Current Year)</b>               | <b>1,02,354.41</b>  | <b>955.03</b>           | <b>1,03,262.67</b>  | <b>4,966.88</b>   | <b>43.75</b>        | <b>66,562.72</b>    |
| <b>Total Assets (Previous Year)</b>              | <b>1,02,671.13</b>  | <b>1,598.14</b>         | <b>1,02,354.41</b>  | <b>6,254.14</b>   | <b>1,899.19</b>     | <b>71,234.39</b>    |
| <b>Capital work-in-progress</b>                  |                     |                         |                     |                   |                     | <b>296.48</b>       |

**11. Vehicles taken on finance lease**

Future obligations towards lease rentals under the lease agreements as on March 31, 2017 is as under:

(₹ in Lacs)

| Particulars                                          | Outstanding<br>As as March<br>31, 2017 | Outstanding<br>As as March<br>31, 2016 | Future<br>Interest<br>March 31,<br>2017 | Future<br>Interest<br>March 31,<br>2016 | Future<br>Obligation<br>March 31,<br>2017 | Future<br>Obligation<br>March 31,<br>2016 |
|------------------------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-------------------------------------------|
| With one year                                        | 40.94                                  | 45.64                                  | 2.78                                    | 3.87                                    | 43.72                                     | 49.51                                     |
| Later than one year and not later<br>than five years | 80.97                                  | 112.19                                 | 19.00                                   | 31.61                                   | 99.97                                     | 143.80                                    |
| <b>Total</b>                                         | <b>121.91</b>                          | <b>157.83</b>                          | <b>21.78</b>                            | <b>35.48</b>                            | <b>143.69</b>                             | <b>193.31</b>                             |

**12. Non current investments**

(₹ in Lacs)

| Particulars                                    | No of shares | Face value per<br>share | Cost of<br>investments as at<br>March 31, 2017 |
|------------------------------------------------|--------------|-------------------------|------------------------------------------------|
| <b>Investment in subsidiaries</b>              |              |                         |                                                |
| <b>(Unquoted, Trade - fully paid up):</b>      |              |                         |                                                |
| Aero Ports & Infrastructure Projects Pvt. Ltd. | 50,000       | 10.00                   | 5.00                                           |
|                                                | (50,000)     | (10.00)                 | (5.00)                                         |
| J M Township & Real Estate Pvt. Ltd.           | 2,00,000     | 10.00                   | 20.00                                          |
|                                                | (200,000)    | (10.00)                 | (20.00)                                        |
| <b>Total</b>                                   |              |                         | <b>25.00</b>                                   |
|                                                |              |                         | <b>(25.00)</b>                                 |

(Note: Previous year figures provided in brackets)

**13. Long term loans and advances**

(₹ in Lacs)

| Particulars                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------------------|-------------------------|-------------------------|
| (Unsecured considered good unless otherwise stated) |                         |                         |
| Security Deposits                                   | 179.26                  | 163.33                  |
| Capital Advances                                    | 1,589.42                | 1,584.24                |
| Advances to related parties (Refer to note 29)      | 965.50                  | 965.50                  |
| Other                                               | 2,898.01                | 2,894.08                |
| <b>Total</b>                                        | <b>5,632.19</b>         | <b>5,607.15</b>         |

**14. Current investments**

(₹ in Lacs)

| Particulars           | Market value            |                         |
|-----------------------|-------------------------|-------------------------|
|                       | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Government Securities | 0.15                    | 0.15                    |
| <b>Total</b>          | <b>0.15</b>             | <b>0.15</b>             |

**15. Inventories**

(₹ in Lacs)

| Particulars                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------------------------------|-------------------------|-------------------------|
| (As certified by management)                         |                         |                         |
| Raw Materials                                        | 3,549.66                | 4,368.33                |
| Work in Progress                                     | 405.05                  | 243.10                  |
| Stores & Spares                                      | 1,320.08                | 1,105.38                |
| Finished Goods (manufactured goods including marble) | 13,980.33               | 13,108.37               |
| Stock in Trade                                       | 743.53                  | 914.84                  |
| Goods in Transit                                     | -                       | 209.47                  |
| <b>Total</b>                                         | <b>19,998.65</b>        | <b>19,949.49</b>        |

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### 16. Inventories – real estate

(₹ in Lacs)

| Particulars        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------|-------------------------|-------------------------|
| Land at Kanjurmarg | 15,000.00               | 15,000.00               |
| Biz Park at Thane  | 2,972.77                | 2,959.09                |
| Work-in-progress   | 45.14                   | 45.03                   |
| Others             | 11,962.47               | 11,962.20               |
| <b>Total</b>       | <b>29,980.38</b>        | <b>29,966.32</b>        |

### 17. Trade receivables

(₹ in Lacs)

| Particulars                                                                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| (Unsecured considered good unless otherwise stated)                                    |                         |                         |
| Outstanding for a period exceeding six months from the date they were due for payment: |                         |                         |
| - Considered good                                                                      | 2,860.36                | 2,535.11                |
| - Considered doubtful                                                                  | 1,156.29                | 896.77                  |
| Less: Provision for doubtful debts                                                     | (583.38)                | (543.81)                |
|                                                                                        | <b>3,433.27</b>         | <b>2,888.07</b>         |
| Others                                                                                 |                         |                         |
| - Considered good                                                                      | 11,586.71               | 12,788.75               |
|                                                                                        | <b>11,586.71</b>        | <b>12,788.75</b>        |
| <b>Total</b>                                                                           | <b>15,019.98</b>        | <b>15,676.82</b>        |

### 18. Cash and cash equivalents

(₹ in Lacs)

| Particulars                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-----------------------------------------|-------------------------|-------------------------|
| (a) Cash and cash equivalents           |                         |                         |
| Cash on Hand                            | 18.85                   | 42.51                   |
| Balances with Banks                     | 2,061.17                | 2,415.48                |
|                                         | <b>2,080.02</b>         | <b>2,457.99</b>         |
| (b) Other bank balances                 |                         |                         |
| Balances with banks for unpaid dividend | 1.01                    | 1.34                    |
|                                         | <b>1.01</b>             | <b>1.34</b>             |
| <b>Total</b>                            | <b>2,081.03</b>         | <b>2,459.33</b>         |

### 19. Short term loans and advances

(₹ in Lacs)

| Particulars                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Balances with Banks - Held as Margin Money                         | 2,192.30                | 2,221.64                |
| <b>Others:</b> (Unsecured considered good unless otherwise stated) |                         |                         |
| Advances for supply of goods and rendering of services             | 1,937.12                | 2,240.69                |
| Prepaid expenses and claims receivable                             | 1,493.46                | 1,578.15                |
| Others                                                             | 61.30                   | 61.91                   |
| <b>Total</b>                                                       | <b>5,684.18</b>         | <b>6,102.39</b>         |

**20. Other current assets**

| (₹ in Lacs)                                         |                         |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
| Particulars                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| (Unsecured considered good unless otherwise stated) |                         |                         |
| Security Deposits                                   | 1,592.30                | 1,663.70                |
| Income Tax Payment (Net)                            | 1,691.35                | 1,618.31                |
| Balance with Custom, Excise, Service Tax            | 2,304.78                | 2,422.04                |
| Other Current Assets                                | 390.77                  | 759.31                  |
| <b>Total</b>                                        | <b>5,979.20</b>         | <b>6,463.36</b>         |

**21. Sale of Products**

| (₹ in Lacs)                       |                              |                              |
|-----------------------------------|------------------------------|------------------------------|
| Particulars                       | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| Ceramic Tiles                     | 32,118.11                    | 36,804.60                    |
| Vitrified Tiles                   | 29,807.97                    | 32,097.15                    |
| Marble                            | 15,046.73                    | 17,014.11                    |
| <b>Tiles and related products</b> | <b>76,972.81</b>             | <b>85,915.86</b>             |
| Others                            | 234.87                       | 195.66                       |
| <b>Total</b>                      | <b>77,207.68</b>             | <b>86,111.52</b>             |

**22. Cost of materials consumed**

| (₹ in Lacs)          |                              |                              |
|----------------------|------------------------------|------------------------------|
| Particulars          | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| Body material        | 6,516.49                     | 7,744.97                     |
| Glaze material       | 3,212.64                     | 5,425.43                     |
| Marble blocks/ slabs | 10,662.66                    | 11,996.25                    |
| Packing material     | 1,662.98                     | 2,035.45                     |
| Others               | 209.55                       | 187.92                       |
| <b>Total</b>         | <b>22,264.32</b>             | <b>27,390.02</b>             |

**23. Changes in inventory**

| (₹ in Lacs)                       |                              |                              |
|-----------------------------------|------------------------------|------------------------------|
| Particulars                       | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>Stock as on April 1, 2016</b>  |                              |                              |
| Work in progress                  | 243.10                       | 418.71                       |
| Finished goods                    | 13,108.37                    | 11,248.62                    |
| Stock in trade                    | 914.84                       | 1,677.66                     |
| <b>(A)</b>                        | <b>14,266.31</b>             | <b>13,344.99</b>             |
| <b>Stock as on March 31, 2017</b> |                              |                              |
| Work in progress                  | 405.05                       | 243.10                       |
| Finished goods                    | 13,980.33                    | 13,108.37                    |
| Stock in trade                    | 743.53                       | 914.84                       |
| <b>(B)</b>                        | <b>15,128.91</b>             | <b>14,266.31</b>             |
| <b>(A-B)</b>                      | <b>(862.60)</b>              | <b>(921.32)</b>              |

**24. Employees benefit expenses**

| (₹ in Lacs)                                |                              |                              |
|--------------------------------------------|------------------------------|------------------------------|
| Particulars                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| Salaries and wages                         | 7,449.70                     | 7,149.43                     |
| Contributions to Provident and Other Funds | 443.44                       | 419.41                       |
| Staff Welfare Expenses                     | 247.93                       | 197.55                       |
| <b>Total</b>                               | <b>8,141.07</b>              | <b>7,766.39</b>              |

## NITCO LIMITED

### 25. Finance cost (Refer to note 34)

| (₹ in Lacs)                                                      |                              |                              |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                      | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| Interest expense                                                 | 657.98                       | 905.46                       |
| Other Financial Charges                                          | 117.49                       | 158.64                       |
| Net (gain)/loss on foreign currency transactions and translation | 12.41                        | 143.08                       |
| <b>Total</b>                                                     | <b>787.88</b>                | <b>1,207.18</b>              |

### 26. Other expenses

| (₹ in Lacs)                                |                              |                              |
|--------------------------------------------|------------------------------|------------------------------|
| Particulars                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>Other Manufacturing Expenses</b>        |                              |                              |
| Power and fuel                             | 8,319.95                     | 9,356.59                     |
| Consumption of stores and spare parts      | 2,564.71                     | 4,031.81                     |
|                                            | <b>10,884.66</b>             | <b>13,388.40</b>             |
| <b>Repairs and Maintenance</b>             |                              |                              |
| Buildings                                  | 25.79                        | 35.91                        |
| Machinery                                  | 293.41                       | 426.11                       |
| Others Repairs & Maintenance               | 208.98                       | 261.48                       |
|                                            | <b>528.18</b>                | <b>723.50</b>                |
| <b>Administrative expenses</b>             |                              |                              |
| Rent Rates and Taxes                       | 1,172.16                     | 1,325.16                     |
| Electricity Charges Office & Depot         | 147.11                       | 154.51                       |
| Processing Charges Mosaico/Marble          | 161.04                       | 171.41                       |
| Water Charges                              | 9.26                         | 8.80                         |
| Postage and Telephone                      | 155.12                       | 171.28                       |
| Printing and Stationery                    | 27.37                        | 28.87                        |
| Insurance (net)                            | 188.51                       | 241.77                       |
| Legal and Professional Fees                | 264.81                       | 335.04                       |
| Travelling & Conveyance Expenses           | 830.85                       | 870.25                       |
| Audit Fees                                 | 37.33                        | 32.19                        |
| Hire Charges                               | 190.87                       | 237.93                       |
| Security Charges                           | 142.64                       | 126.31                       |
| Miscellaneous Expenses                     | 477.59                       | 171.93                       |
|                                            | <b>3,804.66</b>              | <b>3,875.45</b>              |
| <b>Selling and distribution expenses</b>   |                              |                              |
| Advertisement & Sales Promotion Expenses   | 1,797.19                     | 1,386.50                     |
| Freight Forwarding & Distribution Expenses | 1,958.43                     | 2,410.05                     |
| C&F Charges                                | 510.56                       | 672.97                       |
| Provision for doubtful debts               | 18.31                        | 173.76                       |
| Bad Debts                                  | 0.43                         | 179.60                       |
|                                            | <b>4,284.92</b>              | <b>4,822.88</b>              |
| <b>Total</b>                               | <b>19,502.42</b>             | <b>22,810.23</b>             |

### 27. Provision for Taxation

#### i. Current year charge

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

#### ii. Deferred Tax

The Group has been recognizing in the financial statements the deferred tax assets / liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

**28. Disclosure in respect of related parties pursuant to Accounting Standard 18**

| Relationship                                                                                      | Name of the Related Party                        |                                              |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------|
| <b>Key Managerial Personnel</b>                                                                   | Mr. Vivek Talwar,                                | Mr. Rajesh Shah,                             |
|                                                                                                   | Mr. Veetenkumar Kavar,                           | Mr. Rameshchandra Derasariya,                |
|                                                                                                   | Mr. Rajeshbhai Likhya,                           | Mr. Sharath Bolar                            |
| <b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b> | Alpine Agro And Dairy Farms Private Limited      | Nitco Paints Private Limited                 |
|                                                                                                   | Anandshree (Bombay) Holding Private Limited      | Nitco Sales Corporation (Delhi)              |
|                                                                                                   | Aqua-Marine Properties Privated                  | Nitco Tiles                                  |
|                                                                                                   | Aurella Estates And Investments Private Limited  | Nitco Tiles Sales Corporation                |
|                                                                                                   | Blue-Whale Properties Private Limited            | Norita Investments Private Limited           |
|                                                                                                   | Brighton Properties Private Limited              | Northern India Tiles (Sales) Corporation     |
|                                                                                                   | Brunelle Constructions Private Limited           | Orchid Realtors Private Limited              |
|                                                                                                   | Cosmos Realtors Private Limited                  | Prakalp Properties Private Limited           |
|                                                                                                   | Eden Garden Builders Private Limited             | Rang Mandir Builders Private Limited         |
|                                                                                                   | Enjoy Builders Private Limited                   | Rejoice Realty Private Limited               |
|                                                                                                   | First Life Properties LLP                        | Reliant Properties And Realty LLP            |
|                                                                                                   | Greenarth Properties And Realty LLP              | Rhythm Real Estates Private Limited          |
|                                                                                                   | Hunar Cultivators And Developers Private Limited | Saisha Trading LLP                           |
|                                                                                                   | Kavivarya Properties LLP                         | Saumya Buildcon Private Limited              |
|                                                                                                   | Kshamta Properties Private Limited               | Strongbase Properties LLP                    |
|                                                                                                   | Lavender Properties Private Limited              | Tanvish Properties LLP                       |
|                                                                                                   | Melisma Finance And Trading Private Limited      | The Northern India Tiles Corporation (Delhi) |
|                                                                                                   | Merino Realtors Private Limited                  | Ushakiran Builders Private Limited           |
|                                                                                                   | Nitco Consultants And Exports Private Limited    | Vihaan Properties Private Limited            |
|                                                                                                   | Nitco Exports                                    | Vilasini Properties Private Limited          |
|                                                                                                   | Abhishek Sureshbhai Mehta                        | Vivek Talwar (HUF)                           |
|                                                                                                   | Ashvinbhai Raghavjibhai Jivani                   | Meenaben C. Gandhi                           |
|                                                                                                   | Dhirubhai Bhurabhai Boda                         | Payal Vishal Gandhi                          |
|                                                                                                   | Hardik Rajeshbhai Likhya                         | Pravinchandra Sevantilal Sheth – HUF         |
|                                                                                                   | Hina Yogesh Gandhi                               | Rajesh S.Shah                                |
|                                                                                                   | Jayesh Mavjibhai Chaniyra                        | Rameshbhai Babulal Bhadja                    |
|                                                                                                   | Karan Pravinbhai Shah                            | Sadhna Sureshbhai Mehta                      |
|                                                                                                   | Khushbuben Rameshbhai Derasariya                 | Utsav V Mehta                                |
|                                                                                                   | Nayna Pravinbhai Mehta                           | KPM Realty Private Limited                   |
|                                                                                                   | Sharaddha Enterprise                             | Derasariya Impex                             |
|                                                                                                   | Ratilal Chhaganbhai Patel                        | Gem Manufacturing India Private Limited      |
|                                                                                                   | JM Township & Real Estate Private Limited        | Sanket Enterprises Private Limited           |
|                                                                                                   | Nilcity Plast Private Limited                    | Unique Cera Tileware Private Limited         |
|                                                                                                   | IB Hospitality Private Limited                   | Multistone Granito Private Limited           |
|                                                                                                   | Vardhman Vitrified Private Limited               |                                              |

**29. The details of amounts due to or due from are as follows:**

|          |                                                         |                          |                                       | (₹ in Lacs) |
|----------|---------------------------------------------------------|--------------------------|---------------------------------------|-------------|
| Sr. No.  | Transactions during the year with Related Parties       | Key Managerial Personnel | Relatives of Key Managerial Personnel | Others      |
| <b>1</b> | <b>Loan &amp; Advances + Given/(-Received/Returned)</b> |                          |                                       |             |
|          | Rajeshbhai Likhya                                       | -19.50                   | -                                     | -           |
|          |                                                         | (-19.50)                 | -                                     | -           |
|          | Abhishek Sureshbhai Mehta                               | -                        | -21.50                                | -           |
|          |                                                         | -                        | (-21.50)                              | -           |
|          | Ashvinbhai Raghavjibhai Jivani                          | -                        | -13.00                                | -           |
|          |                                                         | -                        | (-13.00)                              | -           |
|          | Dhirubhai Bhurabhai Boda                                | -                        | -2.00                                 | -           |
|          |                                                         | -                        | (-2.00)                               | -           |
|          | Hardik Rajeshbhai Likhya                                | -                        | -12.50                                | -           |
|          |                                                         | -                        | (-12.50)                              | -           |
|          | Hina Yogesh Gandhi                                      | -                        | -96.49                                | -           |
|          |                                                         | -                        | (-68.13)                              | -           |

| Sr. No.  | Transactions during the year with Related Parties | Key Managerial Personnel | Relatives of Key Managerial Personnel | Others   |
|----------|---------------------------------------------------|--------------------------|---------------------------------------|----------|
|          | Jayesh Mavjibhai Chaniyra                         | -                        | -26.90                                | -        |
|          |                                                   | -                        | (-26.90)                              | -        |
|          | Karan Pravinbhai Shah                             | -                        | -10.59                                | -        |
|          |                                                   | -                        | (-10.59)                              | -        |
|          | Khushbuben Rameshbhai Derasariya                  | -                        | -7.50                                 | -        |
|          |                                                   | -                        | (-7.50)                               | -        |
|          | Manishbhai S. Shah                                | -                        | -                                     | -        |
|          |                                                   | -                        | (-25.00)                              | -        |
|          | Meenaben C. Gandhi                                | -                        | -87.35                                | -        |
|          |                                                   | -                        | (-83.25)                              | -        |
|          | Nayna Pravinbhai Mehta                            | -                        | -14.50                                | -        |
|          |                                                   | -                        | (-14.50)                              | -        |
|          | Payal Vishal Gandhi                               | -                        | -21.17                                | -        |
|          |                                                   | -                        | (-21.17)                              | -        |
|          | Pravinchandra Sevantilal Sheth - HUF              | -                        | -16.29                                | -        |
|          |                                                   | -                        | (-16.29)                              | -        |
|          | Rajesh S. Shah                                    | -                        | -21.17                                | -        |
|          |                                                   | -                        | (-21.17)                              | -        |
|          | Rameshbhai Babulal Bhadja                         | -                        | -10.75                                | -        |
|          |                                                   | -                        | (-10.75)                              | -        |
|          | Ratilal Chhaganbhai Patel                         | -                        | -                                     | -        |
|          |                                                   | -                        | (-7.47)                               | -        |
|          | Sadhna Sureshbhai Mehta                           | -                        | -27.00                                | -        |
|          |                                                   | -                        | (-27.00)                              | -        |
|          | Utsav V. Mehta                                    | -                        | -7.00                                 | -        |
|          |                                                   | -                        | (-7.00)                               | -        |
|          | JM Township & Real Estate Private Limited         | -                        | -                                     | 965.50   |
|          |                                                   | -                        | -                                     | (965.50) |
| <b>2</b> | <b>Deposits</b>                                   |                          |                                       |          |
|          | Eden Garden Builders Private Limited              | -                        | -                                     | 150.00   |
|          |                                                   | -                        | -                                     | (150.00) |
|          | Enjoy Builders Private Limited                    | -                        | -                                     | 205.00   |
|          |                                                   | -                        | -                                     | (205.00) |
|          | Lavender Properties Private Limited               | -                        | -                                     | 150.00   |
|          |                                                   | -                        | -                                     | (150.00) |
|          | Prakalp Properties Private Limited                | -                        | -                                     | 145.00   |
|          |                                                   | -                        | -                                     | (145.00) |
|          | Rang Mandir Builders Private Limited              | -                        | -                                     | 200.00   |
|          |                                                   | -                        | -                                     | (200.00) |
|          | Usha Kiran Builders Private Limited               | -                        | -                                     | 150.00   |
|          |                                                   | -                        | -                                     | (150.00) |
| <b>3</b> | <b>Trade and other payables</b>                   |                          |                                       |          |
|          | Eden Garden Builders Private Limited              | -                        | -                                     | 10.60    |
|          |                                                   | -                        | -                                     | (9.33)   |
|          | Enjoy Builders Private Limited                    | -                        | -                                     | 17.82    |
|          |                                                   | -                        | -                                     | (14.32)  |
|          | Lavender Properties Private Limited               | -                        | -                                     | 14.41    |
|          |                                                   | -                        | -                                     | (11.88)  |
|          | Prakalp Properties Private Limited                | -                        | -                                     | 13.13    |
|          |                                                   | -                        | -                                     | (10.96)  |
|          | Rang Mandir Builders Private Limited              | -                        | -                                     | 19.17    |
|          |                                                   | -                        | -                                     | (15.83)  |
|          | Usha Kiran Builders Private Limited               | -                        | -                                     | 14.25    |
|          |                                                   | -                        | -                                     | (12.01)  |
|          | Saisha Trading LLP                                | -                        | -                                     | 341.25   |
|          |                                                   | -                        | -                                     | (346.31) |

(₹ in Lacs)

| Sr. No.  | Transactions during the year with Related Parties | Key Managerial Personnel | Relatives of Key Managerial Personnel | Others |
|----------|---------------------------------------------------|--------------------------|---------------------------------------|--------|
|          | Nilcity Plast Private Limited                     | -                        | 15.45                                 | -      |
|          |                                                   | -                        | -                                     | -      |
| <b>4</b> | <b>Trade Receivable</b>                           |                          |                                       |        |
|          | Vardhman Vitrifed Private Limited                 | -                        | 101.98                                | -      |
|          |                                                   | -                        | -                                     | -      |

(Note: Previous year figures provided in brackets)

**The details of the related party transactions entered by the company are as follows**

(₹ in Lacs)

| Sr. No.  | Transactions during the year with Related Parties                     | Key Managerial Personnel | Relatives of Key Managerial Personnel | Others               |
|----------|-----------------------------------------------------------------------|--------------------------|---------------------------------------|----------------------|
|          | <b>Nature of Transactions Subsidiaries (Excluding Reimbursements)</b> |                          |                                       |                      |
| <b>5</b> | <b>Loans</b>                                                          |                          |                                       |                      |
|          | <b>Net Loans &amp; Advances Given/(Returned/Received)</b>             |                          |                                       |                      |
|          | Abhishek Sureshbhai Mehta                                             | -                        | -                                     | -                    |
|          |                                                                       | -                        | (-21.50)                              | -                    |
|          | Hina Yogesh Gandhi                                                    | -                        | -28.36                                | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Manishbhai S. Shah                                                    | -                        | 25.00                                 | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Meenaben C. Gandhi                                                    | -                        | -4.10                                 | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Nayna Pravinbhai Mehta                                                | -                        | -                                     | -                    |
|          |                                                                       | -                        | (-14.50)                              | -                    |
|          | Ratilal Chhaganbhai Patel                                             | -                        | 7.47                                  | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Sadhna Sureshbhai Mehta                                               | -                        | -                                     | -                    |
|          |                                                                       | -                        | (-27.00)                              | -                    |
|          | Utsav V. Mehta                                                        | -                        | -                                     | -                    |
|          |                                                                       | -                        | (-7.00)                               | -                    |
| <b>6</b> | <b>Revenue Transactions</b>                                           |                          |                                       |                      |
|          | <b>Purchases / Material Consumed</b>                                  |                          |                                       |                      |
|          | Saisha Trading LLP                                                    |                          |                                       | 388.83<br>(1,194.57) |
|          | Nilcity Plast Private Limited                                         | -                        | 42.08                                 | -                    |
|          |                                                                       | -                        | (64.24)                               | -                    |
|          | <b>Other Expenses</b>                                                 |                          |                                       |                      |
|          | IB Hospitality Private Limited                                        | -                        | -                                     | 25.92                |
|          |                                                                       | -                        | -                                     | -                    |
|          | <b>Sales</b>                                                          |                          |                                       |                      |
|          | Vardhman Vitrifed Private Limited                                     | -                        | 149.51                                | -                    |
|          |                                                                       | -                        | -                                     | -                    |
| <b>7</b> | <b>Payment to Key Managerial Personnel</b>                            |                          |                                       |                      |
|          | Vivek Talwar                                                          | 50.50<br>(51.00)         | -                                     | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Veetenbhai H Kavar                                                    | 15.00<br>(12.00)         | -                                     | -                    |
|          |                                                                       | -                        | -                                     | -                    |
|          | Rajeshbhai J Lakhiya                                                  | 30.00<br>(30.00)         | -                                     | -                    |
|          |                                                                       | -                        | -                                     | -                    |
| <b>8</b> | <b>Rent Paid</b>                                                      |                          |                                       |                      |
|          | Eden Garden Builders Private Limited                                  | -                        | -                                     | 3.18<br>(3.18)       |
|          |                                                                       | -                        | -                                     | -                    |
|          | Enjoy Builders Private Limited                                        | -                        | -                                     | 4.37<br>(4.37)       |
|          |                                                                       | -                        | -                                     | -                    |

| (₹ in Lacs) |                                                   |                          |                                       |        |
|-------------|---------------------------------------------------|--------------------------|---------------------------------------|--------|
| Sr. No.     | Transactions during the year with Related Parties | Key Managerial Personnel | Relatives of Key Managerial Personnel | Others |
|             | Lavender Properties Private Limited               | -                        | -                                     | 3.16   |
|             |                                                   | -                        | -                                     | (3.16) |
|             | Prakalp Properties Private Limited                | -                        | -                                     | 3.02   |
|             |                                                   | -                        | -                                     | (3.02) |
|             | Rang Mandir Builders Private Limited              | -                        | -                                     | 4.18   |
|             |                                                   | -                        | -                                     | (4.18) |
|             | Usha Kiran Builders Private Limited               | -                        | -                                     | 3.16   |
|             |                                                   | -                        | -                                     | (3.16) |
| <b>9</b>    | <b>Rent Received</b>                              |                          |                                       |        |
|             | Saisha Trading LLP                                | -                        | -                                     | 2.76   |
|             |                                                   | -                        | -                                     | (2.73) |

(Note: Previous year figures provided in brackets)

### 30. Exceptional Items for the year ended

| (₹ in Lacs)                |                |                |
|----------------------------|----------------|----------------|
| Particulars                | March 31, 2017 | March 31, 2016 |
| Paid to GAIL India Limited | -              | 252.83         |
| <b>Total</b>               | <b>-</b>       | <b>252.83</b>  |

During the previous financial year, the Company had settled its Take or Pay obligation under supply contract with GAIL India Limited for supply of Natural Gas for calendar year 2014 ₹252.83 Lacs and same was considered as an exceptional item.

### 31. Segment Information

Segment has been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as differential risks and returns of these segments. The Company has disclosed Business Segment as Primary Segment. The Business Segment consists off;

- Tiles and other related products
- Real Estate

#### A. Business Segment

|         |                                                     |                         | (₹ in Lacs)             |
|---------|-----------------------------------------------------|-------------------------|-------------------------|
| Sr. No. | Particulars                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| 1       | Net sales / Income from Operations                  |                         |                         |
|         | - Tiles and other related products                  | 73,997.15               | 81,900.34               |
|         | - Real estate                                       | 489.35                  | 348.45                  |
|         | <b>Total Revenue</b>                                | <b>74,486.50</b>        | <b>82,248.79</b>        |
| 2       | Segment results                                     |                         |                         |
|         | - Tiles and other related products                  | (2,630.73)              | (4,265.53)              |
|         | - Real estate                                       | 165.84                  | 13.04                   |
|         | <b>Total Segment Profit Before Interest and Tax</b> | <b>(2,464.89)</b>       | <b>(4,252.49)</b>       |
|         | Less :Interest and other financial cost             | 775.47                  | 1,064.10                |
|         | Foreign exchange loss/(gain)                        | 12.41                   | 143.08                  |
|         | Exceptional items                                   | -                       | 252.83                  |
|         | <b>Profit Before Tax</b>                            | <b>(3,252.77)</b>       | <b>(5,712.50)</b>       |
| 3       | Capital Employed                                    |                         |                         |
|         | (Segment assets - Segment liabilities)              |                         |                         |
|         | - Tiles and other related products                  | 85,014.15               | 89,832.01               |
|         | - Real estate                                       | 33,906.68               | 33,848.48               |
|         | - Unallocated/ Corporate                            | 6,397.05                | 6,684.18                |
|         | <b>Total Capital Employed</b>                       | <b>1,25,317.88</b>      | <b>1,30,364.67</b>      |

**B. Geographical Segment**

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

(₹ in Lacs)

| Particulars                                  | India                     |                           | Rest of the world         |                           | Total                     |                           |
|----------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                              | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 |
| Segment revenue                              | 72,684.32                 | 80,540.61                 | 1,802.19                  | 1,708.18                  | 74,486.50                 | 82,248.79                 |
| Carrying cost of Segment assets              | 1,46,986.21               | 1,52,877.03               | 259.88                    | 232.18                    | 1,47,246.09               | 1,53,109.21               |
| Addition of fixed assets and tangible assets | 955.03                    | 1,598.14                  | -                         | -                         | 955.03                    | 1,598.14                  |

**32. Disclosure of transactions of Specified Bank Notes (SBNs) and Other Denomination Notes during the period from November 8, 2016 to December 30, 2016**

(₹ in Lacs)

| Particulars                                         | SBNs  | Other denomination notes | Total |
|-----------------------------------------------------|-------|--------------------------|-------|
| <b>Closing cash in hand as on November 08, 2016</b> | 81.18 | 13.92                    | 95.10 |
| (+) Amount Withdrawn from Banks                     | -     | 4.00                     | 4.00  |
| (+) Permitted receipts                              | -     | 23.86                    | 23.86 |
| (-) Permitted payments                              | 0.14  | 18.54                    | 18.68 |
| (-) Exchange in bank branch                         | 0.04  | -                        | 0.04  |
| (-) Amount deposited in Banks                       | 81.00 | 7.88                     | 88.88 |
| <b>Closing cash in hand as on December 30, 2016</b> | -     | 15.36                    | 15.36 |

**33. Contingent Liability**

(₹ in Lacs)

| Particulars                                                                                                        | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Guarantees / Counter Guarantees given by the company / by banks on behalf of company                               | 4,497.05                  | 3,751.85                  |
| Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances ) | 11.33                     | 84.56                     |
| Demands against the company not acknowledged as debts and not provided for against which the company is in appeal: |                           |                           |
| Excise Duty                                                                                                        | 2,020.28                  | 2,006.65                  |
| Custom Duty                                                                                                        | 345.37                    | 751.57                    |
| Penalty levied by DGFT, Delhi (refer to note (c) below)                                                            | 16,980.00                 | 16,980.00                 |
| Sales Tax                                                                                                          | 1,287.46                  | 1,196.46                  |
| Income tax                                                                                                         | 64.36                     | 64.36                     |
| Legal matters                                                                                                      | 110.34                    | 111.52                    |

(a) The Company is involved in a number of appellate, judicial and adjudication proceedings concerning matters arising in the course of conduct of the Company's businesses (including taxation matters). Some of the proceedings in respect of matters under litigation are in early stages and in some other cases the claims are indeterminate. Management is generally unable to reasonably estimate a range of possible loss for proceedings or dispute in such matters.

(b) Show cause notice for recovery Anti-dumping duty

Commissioner of Customs based on the investigation of Directorate of Revenue Intelligence (DRI), had issued show cause notice in 2011 for recovery of anti-dumping duty of ₹329.44 crore on vitrified tiles imported during the period 2004-09. The adjudicating authority vide its order dated 28.04.2017 has set aside the show cause notice and no antidumping duty is payable on the said imports.

(c) Penalty levied by DGFT

The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹170 crore for irregular/non fulfillment 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.

## 34. Corporate Debt Restructuring

The Company's business model until FY12, was largely dependent on imported tiles outsourced from China. The company suffered losses on account of sudden sharp depreciation of Rupee towards later part of calendar year 2011 which had high impact on the landed cost of tiles, adversely affecting the financial performance of the Company and its cash flow. Consequently the Company made a reference to Corporate Debt Restructuring (CDR) Cell in May 2012 for comprehensive restructuring of its loan liabilities and accordingly CDR cell sanctioned a scheme of restructuring vide Letter of approval (LOA) dated December 26, 2012, and the lenders executed Master Restructuring Agreement (MRA) on March 06, 2013. The said package sanctioned Funded Interest Term Loan (FITL) for 18 months from the Cut Off date and moratorium for principal repayment for 24 months. The working capital lenders were to provide additional working capital of ₹ 30 crore fund based and ₹ 147 crore non fund based facility. The package also envisaged disposal of non core assets of ₹ 555 crore until March 2016.

However due to adverse market conditions, the non core assets could not be disposed of and the working capital lenders failed to release additional working capital facilities as per the approved CDR package. Consequently the Company defaulted on its obligation to its lenders and all CDR lenders have classified the Company's debts as Non Performing Asset (NPA). Consequently, due to failure of the package, the Company has exited from CDR mechanism in March 2015.

Fifteen Lenders aggregating approximately 89% of overall CDR debts of the Company have assigned their debts to an Asset Reconstruction Company (ARC). The Company has requested ARC for sustainable restructuring of its loan liability. Since the net worth of the Company has been fully eroded and the uncertainty involved in ultimate outflow, the Company has not provided for unpaid interest. Had the interest as per Loan Agreements been provided for, the interest for the year ended March 31, 2017 would have been higher by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs), Losses for the year ended March 31, 2017 would have been higher by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs), corresponding bank liability would have increased by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) and net worth of the Company would have been lower by ₹ 22,632.61 Lacs (previous year ₹ 19,694.75 Lacs) as on March 31, 2017.

35. Previous year's figures have been regrouped / restated / reclassified / rearranged wherever necessary to make them comparable with those of the current year.

In terms of our Report of even date annexed

### For and on behalf of the Board of Directors

For **A. Husein Noumanali & Co.**

Chartered Accountant

Firm Registration No. 107173W

**Vivek Talwar**

Chairman & Managing Director

DIN 00043180

**Pradeep Saxena**

Director

DIN 00288321

**Sharath Bolar**

Director

DIN 07009701

**Bharti Dhar**

Director

DIN 00442471

**A. Husein Noumanali**

Proprietor, Membership No 14757

Mumbai, May 30, 2017

**Ajith Babu**

Chief Executive Officer

**Bhaskar Borkar**

Chief Financial Officer

**Puneet Motwani**

Company Secretary



**Registered Office:** NITCO House, Station Road, Kanjur Marg (East), Mumbai – 400042

**Tel:** +91 22 6752 1555; **Fax:** +91 22 6752 1500; **Email:** [investorgrievances@nitco.in](mailto:investorgrievances@nitco.in);

**CIN:** L26920MH1966PLC016547; **Website:** [www.nitco.in](http://www.nitco.in)

## NOTICE

Notice is hereby given that the **51<sup>st</sup> Annual General Meeting** of the Members of **NITCO Limited ('the Company')** will be held on **Wednesday, the 20th day of September, 2017** at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, behind Prince of Wales Museum, Kala Ghoda, Mumbai – 400 001, to transact, with or without modifications, as may be permissible, the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2017 and the Reports of Directors and Auditors of the Company thereon;
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2017 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;
3. Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and 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 Nayak & Rane, Chartered Accountants (ICAI Firm Registration No. 117249W) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s Husien Noumanali & Co., Chartered Accountants, the retiring Auditors) for a term of five years commencing from the conclusion of the 51<sup>st</sup> Annual General Meeting of the Company till the conclusion of the 56<sup>th</sup> Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus GST, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, approval of the Company be and is hereby accorded for the re-appointment of Mr. Vivek Talwar, Managing Director of the company and terms of remuneration payable to him including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of appointment of Mr. Vivek Talwar as the Managing Director of the Company, for a period of three years from April 1, 2017 to March 31, 2020 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice conveying this Meeting, with liberty to the Board (which term shall be deemed to include the Committee of the Board constituted to exercise its powers, including the powers by this resolution), from time to time, to alter and vary the terms and conditions of the said appointment/ remuneration in such manner as may be agreed to between the Board and Mr. Vivek Talwar, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** in the event of no profit or the profits being inadequate in any financial year of the Company during the currency of tenure of Mr. Vivek Talwar as Managing Director, he shall be paid salary, allowances and perquisites not exceeding limits as set out in Schedule V to the Companies Act, 2013 or any modification thereof unless otherwise approved by the Central Government.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

5. To consider and, if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pradeep Saxena (DIN: 00288321), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose term expires at this Annual General Meeting, being so eligible, be appointed as an Independent Director of the Company to hold office for another term of 3 (three) consecutive years commencing from April 1, 2017.”

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. R. K. Bhandari & Co., Cost Accountants, (Firm Registration Number 10682), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

**Puneet Motwani**  
**Company Secretary**  
**NOTES**

**August 11, 2017**  
**Mumbai**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY. HOWEVER, A SINGLE PERSON MAY ACT AS A PROXY FOR A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 13th day of September, 2017 to Wednesday, the 20th day of September, 2017 (both days inclusive).**
3. An Explanatory Statement pursuant to Section 102 of the

Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

4. Particulars of Director(s) seeking re-appointment : Relevant particulars of Mr. Vivek Talwar (DIN : 00043180) and Mr. Pradeep Saxena (DIN: 00288321) are annexed with this Notice and are also given in the report on Corporate Governance.
5. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the Meeting, so that the information could be made available at the Meeting.
6. Members are requested to furnish their Bank Account details, change of address, e-mail address, etc. to the Company's Registrar and Transfer Agent viz; Link Intime India Pvt. Ltd. (Link Intime) at the address mentioned in the Corporate Governance Report, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.
7. Members are advised to get their shares demated by sending Dematerialization Request Form (DRF) alongwith Share Certificates through their Depository Participant (DP) to Company's Registrar i.e. Link Intime India Private Limited (Link Intime).
8. Members wishing to claim dividends, which remain unclaimed, are requested to approach the Company Secretary at its Registered office address and/or Link Intime. Members are requested to note that the Dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
9. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.
10. As a measure of economy, members are requested to bring copy of the Annual Report to the Meeting. Member / proxy holders shall hand over the attendance slips, duly filled in all respect, at the entrance of the hall for attending the Meeting.
11. Electronic copy of the Notice convening the 51st Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the attendance slip and proxy form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 51st Annual General Meeting of the Company, along with the Annual Report, the process of e-voting and the attendance slip and proxy form is being sent to the members in the permitted mode.
12. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for FY 2016-2017 will also be available on the Company's website at [www.nitco.in](http://www.nitco.in). The physical copies of the aforesaid documents will also be

available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.

13. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the RTA i.e. Link Intime India Pvt. Ltd. and have it duly filled and sent back to them.

**14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

**16. Voting through electronic means –**

- I. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility to its Members in respect of the businesses to be transacted at the 51st Annual General Meeting ("AGM"). The Company has engaged the services of **Central Depository Services (India) Limited ("CDSL")** as the Authorised Agency to provide remote e-voting facilities.
- II. Members are requested to note that the business may be transacted through remote e-voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

**Instructions for e-voting:**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, September 17, 2017 (9:00 a.m.) and ends on Tuesday, September 19, 2017 (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 i.e. Wednesday, September 13, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- (ii) The shareholders should log on to the e-voting website at [www.evotingindia.com](http://www.evotingindia.com);
- (iii) Click on "Shareholders" tab;
- (iv) Now Enter your User ID–

- a. For CDSL: 16 digits beneficiary ID;
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company;

- (v) Next enter the Image Verification as displayed and Click on Login;

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used;

- (vii) If you are a first time user follow the steps given below:

|                                                    | <b>For Members holding shares in Demat Form and Physical Form</b>                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.                                            |
| Date of Birth (DOB) or Date of Incorporation (DOI) | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                              |
| Dividend Bank Details                              | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br><br>Please enter the DOB/DOI or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab;

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;

- (x) For Members holding shares in physical form, the

details can be used only for e-voting on the resolutions contained in this Notice;

- (xi) Click on the EVSN for the relevant "NITCO LIMITED" on which you choose to vote;
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system;
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile;
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates;
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [krupa@krupajoisar.com](mailto:krupa@krupajoisar.com) with the copy marked copy to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on;
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote;
  - A scanned copy of the Board Resolution and Power

of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same;

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
17. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 13, 2017 may obtain the login ID and password by sending a request at [evoting@cdslindia.com](mailto:evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your exiting password for casting your vote;
18. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut – off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper;
19. Ms. Krupa Joisar of M/s. Krupa Joisar & Associates, Practicing Company Secretaries (Membership No. ACS A41023), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner;
20. The facility for voting, either through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
21. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again;
22. The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut off date i.e. September 13, 2017;
23. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at [www.nitco.in](http://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 Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed;
24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## ANNEXURE TO NOTICE

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

#### Item No. 4:

Mr. Vivek Talwar was reappointed as Managing Director of the Company on February 12, 2014 for a period of 3 years w.e.f. April 1, 2014. Accordingly, his tenure of appointment expired on March 31, 2017. In terms of the recommendations of the Remuneration Committee and subject to the approval of the members, the Board of Directors of the Company in its meeting held on February 14, 2017 has decided to re-appoint Mr. Vivek Talwar as Managing Director for a further period of three years with effect from April 1, 2017 on the terms and conditions as are set out hereunder:

#### A. REMUNERATION:

- i) **Salary:** ₹ 4,00,000/- per month

#### B. PERQUISITES & ALLOWANCES IN ADDITION TO ABOVE:

In addition to the salary and commission as outlined above Mr. Vivek Talwar would be entitled to perquisites and allowances as given hereunder:

- i) **Housing I:** The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling :

60% of the salary over and above 10% payable by the Managing Director.

**Housing II:** In case the accommodation is owned by the Company 10% of the Salary of the Managing Director shall be deducted by the Company.

**Housing III:** In case no accommodation is provided by the Company the Managing Director shall be entitled for House Rent Allowance subject to the Ceiling laid down in Housing I.

- ii) The Company will reimburse the Managing Director the expenditure incurred by him on gas, electricity, water, furnishings and repairs at his residence.
- iii) **Medical Reimbursement:** Expenses incurred for the Managing Director and his family subject to a ceiling of one month salary in a year or three month's salary over a period of three years.
- iv) **Leave Travel Concession:** For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- v) **Club Fees:** Fees of Club subject to a maximum of two Clubs. This will not include admission and life membership fees.
- vi) **Personal Accident Insurance:** Premium not to exceed ₹ 10,000/- per annum.

In addition to the perquisites at (i), (ii), (iii), (iv), (v) and (vi) as above, the Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the

computation of perquisites for the purpose of calculating the said ceiling.

#### Provident Fund, Superannuation / Annuity Fund:

- i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act;
- ii) Gratuity payable at a rate not exceeding half a month's salary for each year of completed service;
- iii) Encashment of Leave at the end of the term will not be included in the computation of the ceiling or perquisites.

#### Notes:

1. Notwithstanding anything herein, where in any financial year during the currency of the tenure of office of the Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals as may be necessary, pay the Managing Director remuneration by way of salary and perquisites not exceeding the maximum limits as prescribed in Schedule V of the Companies Act, 2013, or any modification thereof;
2. The Board of Directors/Remuneration Committee be and are hereby authorised to enhance, alter or vary the scope and quantum of remuneration and perquisites of Mr. Vivek Talwar in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013;
3. So long as Mr. Vivek Talwar functions as the Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof;
4. The office of the Managing Director may be terminated by the company or the concerned Director by giving three (3) months prior notice in writing.

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

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

#### I. General Information:

##### (i) Nature of Industry

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

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

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

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

Not Applicable.

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

The relevant financial figures (Audited) as at year ended March 31, 2017 are as under:-

| Particulars                                     | ₹ in Lakhs |
|-------------------------------------------------|------------|
| Total Turnover and other Income (net of excise) | 72,413.24  |
| Total Expenses                                  | 75,645.60  |
| Profit/(Loss) after Tax                         | (3,232.36) |
| Dividend                                        | -          |

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

Not Applicable.

## II. Information about the Appointee:

- (a) **Background Details**

Mr. Vivek Talwar is the Managing Director of your Company. He joined the Company as a Director in 1980. The operational responsibility and day-to-day functioning of the Company were gradually handed over to him. He was instrumental in 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 marketing of imported marble, vitrified tiles and development of real estates.

- (b) **Past Remuneration**

The previous term of Mr. Vivek Talwar as a Managing Director was for the period of three years from 1st April 2014 at a remuneration of ₹ 4,00,000/- per month perquisites in terms of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013. However, considering the losses incurred by the Company, the remuneration paid has been restricted to ₹ 60,00,000/- per annum, i.e. the extent of limits as prescribed under Section II(A) of Part II of Schedule V to the Companies Act, 2013. Apart from the remuneration in form of salary, Mr. Vivek Talwar has not been paid any other remuneration except other privileges as are generally available to other employees of the Company.

- (c) **Recognition or Awards**

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

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

Mr. Vivek Talwar is associated with the Company since 1980. At present, he is the Managing Director of the Company. The Company is working on a turnaround strategy and considering the experience of Mr. Vivek Talwar in the field of tile

and real estate industry, he is ideally suited to the nature of our Industry.

- (e) **Remuneration Proposed**

The salary proposed for Mr. Vivek Talwar is ₹ 4,00,000 per month and other perquisites and allowances as fully set out in the Item No. 4 of the Explanatory Statement to the Notice.

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

Taking into account the turnover and brand equity of the Company, Mr. Vivek Talwar's invaluable experience in the Company, his role in placing the Company in pre-eminent position in the Industry, his strategic role in turning around the Company from its difficult position, the proposed remuneration to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

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

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

## III. Other Information:

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

The Company's business model was predominantly dependent on large imports of vitrified tiles from China. However, sudden steep drop in the value of rupee against USD, the business of import of vitrified tiles and distribution within India became unviable. With imports suddenly becoming unviable, company had to deal with high distribution costs which had to be scaled down gradually in line with reduction in the inventory. Due to demonetization and recessionary conditions prevailing in the economy, the sales in FY 2016-17 registered a fall. The company currently does not enjoy any working capital facilities which put further pressure on the operations of the Company. All these factors impacted our profitability for the FY 2016-17.

- (b) **Steps taken or proposed to be taken for improvement and Expected increase in productivity and profit in measurable terms**

The Company took steps to shift the business model to local outsourcing/joint venture

arrangement. This sudden change in the business model has affected the financial performance of the company in the last few years. Despite several challenges faced by the Company including demonetization, the company was able to achieve net revenue of ₹ 722.80 crore, a decrease of 11.13% over last year. Despite of drop in turnover, the company has achieved a positive EBITDA of ₹ 8.24 crores in FY 2016-17, against an EBITDA loss of ₹ 3.74 crores in FY 2015-16. The company was able to achieve positive EBITDA for the first time in last four years, due to tight control on the costs and the strong brand equity enjoyed by the Company. The management is confident that the strategy now being pursued by the Company is appropriate for achieving the desired result.

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

Considering the brand equity enjoyed by the Company and the performance of the Company during the current year in a tough environment and several steps taken for improving the performance of the Company, the management is hopeful of a turnaround in near future which in turn shall lead to an increase in productivity and profits of the Company. In addition to this a competitive business strategy and a strategic plan has been set up by the Company in order to increase the productivity and profits. The Company has a strong distribution network which caters to demand from across India. Company has widened its base further and has built a reliable client base overseas as well. The Company has also increased its distribution network in the North and East zone of the country.

**IV. Disclosures:**

The shareholders are being informed of the remuneration package by way of explanatory statement as given above.

The information and disclosures of the remuneration package of the Board of Directors have been mentioned in the Annual Report in the Corporate Governance Report Section for the year ended March 31, 2017.

The re-appointment & remuneration payable to the appointee needs to be approved by the shareholders in a general meeting and accordingly, the special resolution is placed before the members and will be further subject to approval from secured creditors. Your Directors recommend the resolution mentioned in this Notice for the approval of the members.

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

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

**Item No. 5:**

Mr. Pradeep Saxena is an Independent Director of the Company and has been associated with the Company since May, 2012.

It is proposed to appoint Mr. Pradeep Saxena as Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Regulation 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, to hold office for 3 (three) consecutive years commencing from April 1, 2017. Mr. Saxena is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as the Director. The Company has also received declaration from Mr. Pradeep Saxena that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In the opinion of the Board, Mr. Pradeep Saxena fulfills the conditions for appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Brief resume of Mr. Pradeep Saxena, nature of their expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Pradeep Saxena as Independent Director, setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Pradeep Saxena is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Pradeep Saxena may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No. 6:**

The Board of Directors at its meeting held on May 30, 2017, on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2017, at a remuneration amounting to ₹ 40,000/- (Rupees Forty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 6 for ratification of the remuneration payable to the Cost Auditor.

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

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

**Puneet Motwani**  
**Company Secretary**

**August 11, 2017**  
**Mumbai**

#### **DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

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

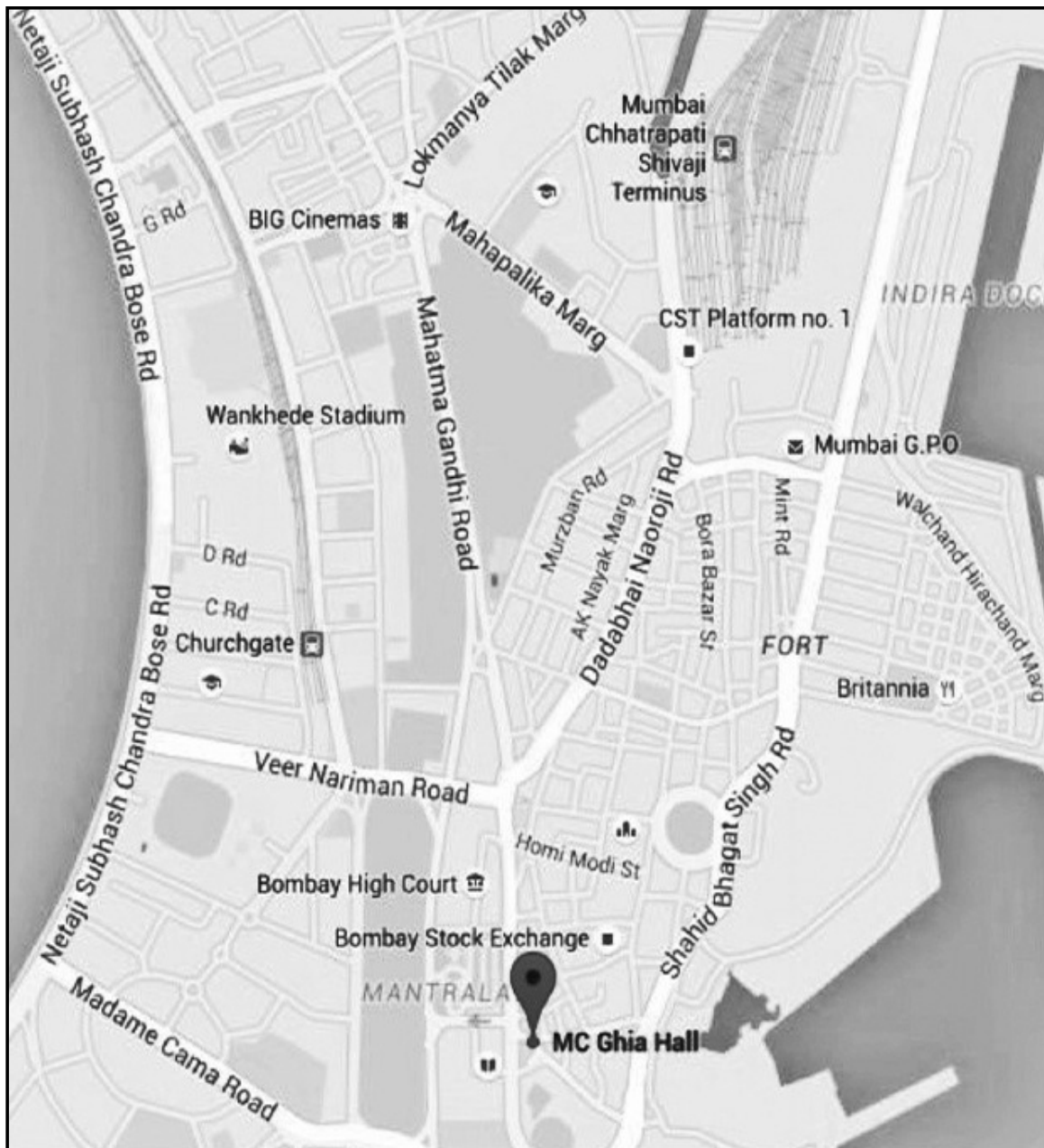
##### **1. Mr. Vivek Talwar**

| <b>Name of the Director</b>                                                                          | <b>Mr. Vivek Talwar</b>                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                        | 09/10/1956                                                                                                                                                                                                                                                                                                       |
| Date of first Appointment on the Board                                                               | 1980                                                                                                                                                                                                                                                                                                             |
| Experience/Expertise in specific functional areas/ Brief resume of the Director                      | He has a rich experience of over 36 years in the tile industry. 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 |
| Terms & conditions of appointment/re-appointment                                                     | As per explanatory statement attached to the Notice                                                                                                                                                                                                                                                              |
| Details of remuneration sought to be paid and remuneration last drawn                                | As per explanatory statement attached to the Notice                                                                                                                                                                                                                                                              |
| Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company | Nil                                                                                                                                                                                                                                                                                                              |
| Number of meetings of the Board of Directors attended during the F.Y. 2016-17                        | 4/4                                                                                                                                                                                                                                                                                                              |
| Other Directorships held                                                                             | <b>Companies in which he is a Director :</b>                                                                                                                                                                                                                                                                     |
|                                                                                                      | 1. Nitco Paints Private Limited                                                                                                                                                                                                                                                                                  |
|                                                                                                      | 2. Norita Investments Private Limited                                                                                                                                                                                                                                                                            |
|                                                                                                      | 3. Nitco Realities Private Limited                                                                                                                                                                                                                                                                               |
|                                                                                                      | 4. Merino Realtors Private Limited                                                                                                                                                                                                                                                                               |
|                                                                                                      | 5. Melisma Finance and Trading Private Limited                                                                                                                                                                                                                                                                   |
|                                                                                                      | 6. Orchid Realtors Private Limited                                                                                                                                                                                                                                                                               |
|                                                                                                      | 7. Cosmos Realtors Private Limited                                                                                                                                                                                                                                                                               |
|                                                                                                      | 8. Rhythm Real Estates Private Limited                                                                                                                                                                                                                                                                           |
|                                                                                                      | 9. Saumya Buildcon Private Limited                                                                                                                                                                                                                                                                               |
|                                                                                                      | 10. Ferocity Properties Private Limited                                                                                                                                                                                                                                                                          |
|                                                                                                      | 11. Aurella Estates and Investments Private Limited                                                                                                                                                                                                                                                              |
|                                                                                                      | 12. Opera Properties Private Limited                                                                                                                                                                                                                                                                             |
|                                                                                                      | 13. Glamorous Properties Private Limited                                                                                                                                                                                                                                                                         |
|                                                                                                      | 14. Meghdoot Properties Private Limited                                                                                                                                                                                                                                                                          |
|                                                                                                      | 15. Feel Better Housing Private Limited                                                                                                                                                                                                                                                                          |
|                                                                                                      | 16. Quick-Solution Properties Private Limited                                                                                                                                                                                                                                                                    |
|                                                                                                      | 17. Roaring - Lion Properties Private Limited                                                                                                                                                                                                                                                                    |
|                                                                                                      | 18. Silver-Sky Real Estates Private Limited                                                                                                                                                                                                                                                                      |
|                                                                                                      | <b>LLPs in which he is a Designated Partner :</b>                                                                                                                                                                                                                                                                |
|                                                                                                      | 1. Reliant Properties and Realty LLP                                                                                                                                                                                                                                                                             |
|                                                                                                      | 2. Greenarth Properties and Realty LLP                                                                                                                                                                                                                                                                           |
|                                                                                                      | 3. Strongbase Properties LLP                                                                                                                                                                                                                                                                                     |
|                                                                                                      | 4. Firstlife Properties LLP                                                                                                                                                                                                                                                                                      |
| Membership/Chairmanship of Committees of other Boards                                                | NIL                                                                                                                                                                                                                                                                                                              |
| Shareholding in the Company                                                                          | 6323669                                                                                                                                                                                                                                                                                                          |

## 2. Mr. Pradeep Saxena

| <b>Name of the Director</b>                                                                          | <b>Mr. Pradeep Saxena</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                        | 03/03/1948                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Date of first Appointment on the Board                                                               | 03/05/2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Experience/Expertise in specific functional areas/ Brief resume of the Director                      | His career spans thirty years in International Banking and five years in Information Technology. Mr. Saxena is a Consultant and Specialist Advisor engaged primarily with SMEs and Start-ups for advice on Corporate Strategy, Corporate Governance, Management and Business Development. He is a member of the Advisory Board of Sheffield Haworth India. Among his assignments, he serves as the Executive Director of The Indian Institute for Human Settlements (IIHS), a prospective independent national University for Innovation, initiative which has been established by a group of publically-minded citizens |
| Terms & conditions of appointment/re-appointment                                                     | As per explanatory statement attached to the Notice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Details of remuneration sought to be paid and remuneration last drawn                                | Only sitting fees is paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Number of meetings of the Board of Directors attended during the F.Y. 2016-17                        | 4/4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Other Directorships held                                                                             | <b>Companies in which he is a Director :</b> <ol style="list-style-type: none"> <li>1. Strategic Capital Corporation Private Limited</li> <li>2. Sumani Trading Private Limited</li> <li>3. ITEK Business Solutions Private Limited</li> <li>4. Saturn Advisory Services Private Limited</li> <li>5. Stratcap Wealth Management Private Limited</li> </ol>                                                                                                                                                                                                                                                               |
|                                                                                                      | <b>LLPs in which he is a Designated Partner :</b> <ol style="list-style-type: none"> <li>1. Mind Over Image Consulting LLP</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Membership/Chairmanship of Committees of other Boards                                                | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Shareholding in the Company                                                                          | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

ROUTE MAP TO THE VENUE OF THE FIFTY FIRST ANNUAL GENERAL MEETING OF NITCO LIMITED TO BE HELD ON WEDNESDAY, SEPTEMBER 20, 2017.



## NOTES

## NOTES

L I M I T E D

**Registered Office:** NITCO House, Station Road, Kanjur Marg (East), Mumbai – 400 042.  
**Tel:** +91 22 6752 1555 • **Fax:** +91 22 6752 1500 • **Email:** investorgrievances@nitco.in  
**CIN:** L26920MH1966PLC016547 • **Website:** www.nitco.in

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member(s) of ..... shares of the above named company, hereby appoint:

1. Name: ..... E-mail Id: .....

Address: .....

..... Signature  or failing him

2. Name: ..... E-mail Id: .....

Address: .....

..... Signature  or failing him

3. Name: ..... E-mail Id: .....

Address: .....

..... Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the company, to be held on Wednesday, 20th September, 2017 at 11: 00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai – 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No.    | Description                                                                                                                                                                      |          |              |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|
| Ordinary Business |                                                                                                                                                                                  | Vote For | Vote Against |
| 1.                | Consider and adopt :                                                                                                                                                             |          |              |
|                   | a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2017 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, 2017 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;                                |          |              |
| 3.                | To consider appointment of M/s. Nayak & Rane, Chartered Accountants (ICAI Firm Registration No. 117249W) as the Statutory Auditors of the Company;                               |          |              |
| Special Business  |                                                                                                                                                                                  |          |              |
| 4.                | To consider re-appointment of Mr. Vivek Talwar as Managing Director of the company;                                                                                              |          |              |
| 5.                | To consider re-appointment of Mr. Pradeep Saxena (DIN: 00288321) as Independent Director of the Company;                                                                         |          |              |
| 6.                | To consider appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 10682) as Cost Auditors of the Company for FY 2017-18.                          |          |              |

Signed on this ..... day of ..... 2017.

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

#### Notes:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy need not be a member of the Company. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.



**Registered Office:** NITCO House, Station Road, Kanjur Marg (East), Mumbai – 400 042.  
**Tel:** +91 22 6752 1555 • **Fax:** +91 22 6752 1500 • **Email:** [investorgrievances@nitco.in](mailto:investorgrievances@nitco.in)  
**CIN:** L26920MH1966PLC016547 • **Website:** [www.nitco.in](http://www.nitco.in)

## ATTENDANCE SLIP

### 51<sup>st</sup> ANNUAL GENERAL MEETING ON 20<sup>th</sup> SEPTEMBER, 2017

**Name and address of the shareholder(s)**

**Joint Holder 1**

**Registered Folio/ DP ID & Client ID**

**Number of share held**

I/ We hereby record my/our presence at the 51<sup>st</sup> Annual General Meeting of the Company held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai– 400 001 on Wednesday, 20<sup>th</sup> day of September, 2017 at 11.00 a.m.

-----  
Member's Folio/DP ID/ Client ID No.

-----  
Member's/Proxy's name

-----  
Member's/Proxy's Signature

**Note:**

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

## ELECTRONIC VOTING PARTICULARS

| Electronic Voting Sequence Number (EVSN) | User ID | Password          |
|------------------------------------------|---------|-------------------|
| 170817045                                |         | Existing Password |

**Notes:**

- The voting period starts from, 17<sup>th</sup> September, 2017 (9:00 am IST) and ends on 19<sup>th</sup> September, 2017 (5:00 pm IST). The voting module shall be disabled by CDSL for voting thereafter.
- Please read the instructions for e-voting given along with the Annual Report.

*Note: Please bring the above Attendance Slip to the Meeting Hall.*