

# NITCO

TILES MARBLE MOSAICO

23<sup>rd</sup> September, 2016

To,

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

**Sub : Submission of Annual Report 2015-16 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 2015-16 duly approved & adopted in the Annual General Meeting of the Company held on 21<sup>st</sup> September, 2016.

Kindly take the same on record.

Thanking You,

Yours Faithfully,  
For **NITCO Limited**



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

**Corporate Office:** NITCO Ltd., NITCO House, Station Road, Kanjur Marg (E) Mumbai - 400 042.  
Tel.: 91-22-67302500 / 67521555, Fax: 91-22-67521500.

**Registered Office:** Recondo Compound, Municipal Asphalt Compound, S.K. Ahire Marg, Worli, Mumbai - 400 030.  
Tel.: 91-22-66164555. CIN: L26920MH1966PLC016547. Email: marketing@nitco.in, Website: www.nitco.in





*50*  
Years Celebrating

**NITCO**

**ANNUAL  
REPORT  
2015-16**

# Forward-looking statements

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# CORPORATE INFORMATION

## Board of Directors

Mr. Vivek Talwar, Chairman & Managing Director  
 Mr. Rohan Talwar, Non-Independent Director  
 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  
 Mr. Bhaskar Borkar, Chief Financial Officer  
 Mr. Puneet Motwani, Company Secretary and Compliance Officer

## Statutory Auditor

A.Husein Noumanali & Company, Chartered Accountant

## Registered Office

NITCO House,  
 Recondo Compound, S.K. Ahire Marg,  
 Worli, Mumbai – 400 030, Maharashtra.  
 Tel No - +91 22 6616 4555  
 Fax No - +91 22 6616 4657

## Corporate Office

NITCO Limited,  
 NITCO House, Station Road, Kanjur Marg (East),  
 Mumbai – 400 042, Maharashtra.  
 Tel No - +91 22 6752 1555  
 Fax No - +91 22 6752 1500

## Works

### Ceramic Tiles Division

Village Shirgaon, Taluka Alibaug, Post Poynad,  
 District Raigad, Maharashtra.

### Marble Division (Mumbai)

NITCO Marble land, Plot No. 3, Kanjur Village Road,  
 Kanjur Marg (East), Mumbai – 400 042, Maharashtra.

### Marble Division (Silvassa)

Survey No. 176, Village Silli,  
 Silvassa – 330 396

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Even in a challenging economic environment, NITCO was able to hold its ship steady.

In addition, it embraced a strategic shift towards engaging in outsourced products, optimizing costs and improving margins. It also ventured into digital tiles, enhancing product variety and strengthening customer convenience.

## 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 mosaico. The Company has also forayed into real estate.

The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange. The promoters held 69.57% of the Company's equity as on March 31, 2016.

## Presence

NITCO is headquartered in Mumbai and possesses a pan-India presence through a wide distribution network comprising approximate 1300 dealers and 5000 retail outlets (at the close of 2015-16).

The Company's manufacturing units are strategically located in multiple states. While its marble division is located in Mumbai (Maharashtra) and Silvassa (Dadra and Nagar Haveli), its ceramic tiles division and mosaico division is located in Alibaug (Maharashtra), 51% JV for manufacturing Vitrified and Wall Tiles is located in Gujarat.

## Clientele

Apart from catering to domestic demands, the Company enjoys a sizeable client base overseas as well through exports to Belgium, Germany, Argentina, Oman, Qatar, Saudi Arabia, Europe, Africa, Nepal and others.

## Innovation at NITCO

NITCO manufactures a wide range of innovative products and has always been the pioneer in setting design trends and creating trendsetters for the industry.

1. The journey of innovation stems from its design ethos in creating designs which look and feel like a slice of nature, designs created and inspired from its own library of natural stone/wood/natural imported marble.
2. It's unique 6 color digital printing blended with rotocolor and dry application provides it technology to combine the best of all printing technologies and replicate the natural look and color on each tile making every design unique and asymmetric.
3. The launch of a new finish called ECLAT finish which fused the natural veins and surface with a sheen creating a new dimension in Ceramic floor tiles range called DuraDigi.
4. NITCO also launched its premium range of wall tiles under the Casa collection combining digital reactive print gloss with drop application, designed infused for future homes, most of the designs are like masterpieces making the application of wall tiles take centre stage from living rooms to standalone walls.
5. Not only is it surface innovation but also on tangibles like strength where NITCO surpassed all competitors with its launch of Magnified range of floor tiles with the highest industry strength.

## Certifications

NITCO is certified with world-class credentials comprising ISO 9001:2008, 14001:2004 and 18001:2007.

## Key corporate highlights 2015-16

1. NITCO strengthened its premium positioning with the launch of NITCO Magnified range of large size GVT and PGVT floor tiles (1200X600mm) tiles. The rapid urbanization and opulence in the luxury segment have resulted in the Indian customer opting for larger size tiles less joints and more natural looking surface. NITCO Magnified range positioned to make the floor look larger than life was appreciated by all. The Launch experience which resulted in a magnified experience for the retail trade partners where the new range was unveiled created awe and was overbooked further strengthening NITCO's position and the trust of the dealer network in NITCO's quality and superiority.
2. NITCO expanded its Ceramic digital floor range and expanded its presence across more counters and customer base with the launch of 600X600mm DuraDigi range of HD digital floor tiles, the unique geometric designs and ECLAT finish with the clarity of print, design sharpness and the unique innovative surface finish was appreciated by all and the demand overtook supply in a matter of time.
3. NITCO expanded its basket with the launch of NITCO Casa Wall tile range a collection launched after an immense study of future homes and studying the future design trends of homes and their impact on design and lifestyle, the collection saw unique designs and color palettes changing the norm and capturing the imagination of all with its range of designs and new reactive finish design surfaces.
4. Not only was it the year with the largest basket of new launch but also exciting with launch events done across more than 24 cities across India where the end customer/trade and influencers could be an integral part to be exposed to the same.
5. NITCO expanded its digital footprint in an era which is fast exploding with new innovations, its aligned an integrated new structured digital and social media presence from a new look website providing room visualization and imagery integrated across all platforms with cell phones, tabs, pc's enabling a 5 times increase in enquiries and direct customer feedback with the sales has recently been rated as one of the most innovative sites by the social media groups.

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## 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 DGFT for 15,895 MT.</li> <li>Entered real estate development through Nitco Realities Pvt. Ltd. (subsidiary) with 100% shareholding</li> <li>Launched 16 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 (196x1200mm, 600x1200mm)</li> </ul>
2016	<ul style="list-style-type: none"> <li>Launch of GVT tiles from JV (800x800 mm, 600x600 mm &amp; 600x1200mm)</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 capex costs that would be required for greenfield 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. 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

## Marketing network

Over 5000 retail outlets mark NITCO's presence in the country. The Company possesses over 1300 direct dealers, backed by 21 depots powering the distribution network. It also operates 13 exclusive showrooms, Le Studio pan-India, for displaying its exquisite range of tiles, mosaico and marbles. The Company also has around 68 showrooms operating as franchisees under Le Studio Express (LSE) and 88 franchisees under Nitco Look.

## 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 smoothed 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 finished tiles possess anti-skid properties, widening their scope of applicability. NITCO has also ventured into digital tiles, providing attractive and eye-catching designs.

**NITCO ventured into digital tiles, carving out its own niche in a fast-growing market**

At NITCO, we realised that staying relevant in a dynamic market was critical to long-term sustainability. Towards this end, we leveraged the NITCO brand equity and forayed into the manufacture of digital tiles through the establishment of digital machines plants.

The premium digital wall tile segment consists of various sizes such as 300x600 mm, 300x900 mm and 300x450 mm. It has a Glossy, Matte and Satin matte finish with 72 SKUs. The wall grandeur segment comes in two sizes 600x300 mm, 300x450 mm and a glossy, matte and lapato finish. The GVT segment consists of Matte, Rustic, Lapato, Barnio, Enamelia and glossy finish which also has 56 SKUs.

**NITCO increasingly engaged in product outsourcing, enabling it to optimise costs and stay true to its 'asset light' model**

In the joint-ventured approach, the Company has invested in Gujarat-based facilities for a relatively lower sum than what it would have spent in creating a greenfield facility; besides, the joint venture has helped the Company capitalize on prevailing market trend without expending a couple of years to build a new facility.

## Five years financials

	₹ in Crores				
	2015-16	2014-15	2013-14	2012-13	2011-12
Share capital	54.70	54.70	54.70	32.60	32.60
Share application money	-	-	-	28.00	-
Reserves	(156.59)	(93.83)	38.49	216.14	447.48
Loan funds*	1,300.74	1,305.14	1,305.68	1,186.79	1,217.12
Other long term liabilities	2.36	2.32	2.85	2.67	-
Gross block	895.04	907.52	903.71	900.40	889.13
Net block	563.53	608.32	671.23	709.54	737.58
Capital work in progress	1.94	3.73	4.57	2.95	3.38
Non current investments	27.35	27.35	31.24	31.24	11.84
Non current assets	188.84	188.57	179.45	177.66	156.55
Current assets other than real estate	469.54	443.70	462.30	474.67	653.46
Current assets - real estate	179.59	178.84	185.91	186.01	192.91
Current liabilities*	209.23	161.85	112.63	95.53	38.18
Net current assets	439.89	460.69	535.58	565.15	808.18
Deferred tax (assets)/ liability	20.35	20.35	20.35	20.35	20.35
Net sales	775.95	823.99	758.59	770.34	839.82
Other income (incl. other operating revenues)	5.16	3.89	3.02	1.92	1.55
Material cost	550.75	582.58	524.27	527.33	546.29
Power cost	49.63	63.89	64.71	53.09	37.67
Employee cost	72.22	72.13	68.79	68.59	46.65
Other manufacturing expenses	23.71	20.36	17.56	18.94	10.48
Administration & selling expenses	88.54	104.73	111.84	143.95	113.48
EBITDA	(3.74)	(15.81)	(25.55)	(39.63)	86.80
Interest	5.19	42.17	143.69	151.67	75.11
EBDT	(8.93)	(57.98)	(169.25)	(191.31)	11.69
Depreciation	51.31	62.28	41.99	40.03	32.66
Exceptional items	2.53	6.97	-	-	34.47
PBT	(62.77)	(127.22)	(211.23)	(231.34)	(55.45)
PAT	(62.77)	(127.22)	(211.23)	(231.34)	(55.45)
Net worth	(101.89)	(39.13)	93.19	276.74	480.08
Capital employed	1,041.97	1,109.83	1,236.16	1,300.53	1,524.63
EPS (₹)	(11.47)	(23.26)	(55.41)	(70.96)	(17.01)
Book value (₹)	(18.63)	(7.15)	17.04	84.89	147.26

\* Loan funds includes current maturity of long term debts and outstanding letter of credit, accordingly these have been deducted from the current liabilities.

## Our contribution to National Ex-chequer

	₹ in Crores				
	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Contribution to Ex-chequer</b>					
Excise Duty/Service Tax	92.31	85.60	71.58	51.19	30.49
Custom Duty	13.91	17.79	12.90	21.19	68.02
Sales tax/Octroi	42.53	48.02	53.33	83.49	87.42
<b>Total</b>	<b>148.75</b>	<b>151.41</b>	<b>137.82</b>	<b>155.87</b>	<b>185.93</b>

# DIRECTORS' REPORT

*Dear Members,*

Your Directors are pleased to present the 50<sup>th</sup> Annual Report with the audited statement of accounts of the Company for the year ended March 31, 2016.

## Financial results

The highlights of the financial results for the year ended March 31, 2016 are as follows:

For the year ended March 31	Standalone		Consolidated	
	2016	2015	2016	2015
<b>Gross Sales</b>	<b>851.61</b>	902.61	<b>861.11</b>	914.31
<b>Net Revenue</b>	<b>780.21</b>	826.99	<b>788.70</b>	837.43
<b>Profit/(Loss) before interest depreciation and tax</b>	<b>(3.74)</b>	(15.81)	<b>20.02</b>	4.17
Interest & Financial Charges (Net)	(5.19)	(42.17)	(12.07)	(50.31)
Depreciation	(51.31)	(62.27)	(62.54)	(69.78)
Exceptional Items	(2.53)	(6.97)	(2.53)	-
<b>Profit/(loss) before tax</b>	<b>(62.77)</b>	(127.22)	<b>(57.12)</b>	(115.91)
Provision for tax	-	-	(1.20)	(2.30)
<b>Profit/(loss) after tax</b>	<b>(62.77)</b>	(127.22)	<b>(58.32)</b>	(118.22)
Minority interest	-	-	(1.85)	(1.11)
Balance brought forward from previous year	(497.91)	(370.69)	(498.40)	(377.68)
<b>Balance carried forward</b>	<b>(560.58)</b>	(497.91)	<b>(558.58)</b>	(498.40)

₹ in crores

## 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, the Company was able to achieve a net revenue of ₹ 780.21 crore, a decrease of 5.66% over last year. Due to several steps taken by the Company and tight control on costs and the strong brand equity enjoyed by the Company EBITDA losses reduced from ₹ 15.81 crore (FY 2014-15) to ₹ 3.74 crore in FY 2015-16. At a consolidated level, the Company has achieved a positive EBITDA of ₹ 20.02 Crore (previous year ₹ 4.17 crore). 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 Vitrified Pvt. Ltd.

As a part of the business strategy, your Company had acquired 51% equity stake in New Vardhman Vitrified Pvt. Ltd. (NVVPL) during FY 2011-12. The said company had set up a plant near Morbi, Gujarat

for manufacturing 8 million sq. mtrs (approximately) of vitrified and wall tiles which commenced production during 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 third full year of operation, has achieved net turnover of ₹ 167.58 crore, EBITDA of ₹ 23.08 crore and Profit Before Tax of ₹ 4.98 crore. The Company is regular in servicing its commitment to its lenders and has repaid term loan installments of ₹ 35.88 crore since commencement of its operation.

During the current financial year, NVVPL has carried out an extension of the existing plant to produce Glazed Vitrified Tiles with a capacity of 1.8 million sq.mtrs. The plant commenced manufacture of GVT during last quarter of FY 2015-16. The entire project was funded from internal accruals.

## 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 however 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. Thirteen Lenders aggregating approximately 86% of overall CDR debts of the Company have assigned their debts to an Asset Reconstruction Company (ARC) as on March 31, 2016.

## Reference to BIFR

The net worth of the Company has been fully eroded and a reference filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) has been duly registered with BIFR vide their letter dated May 12, 2015. As the Company is registered with BIFR and the uncertainty on the ultimate outflow, the Company has not provided for unpaid interest to the respective Banks from the date the account has become a non performing asset with the respective banks.

## Credit Rating

The last Credit Rating issued to the Company by CARE Limited was on October 01, 2012. However, the credit rating is under suspension at present as the Company was under Corporate Debt Restructuring and now under BIFR.

## 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, 2016.

## 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 Corporate Office and that of the respective subsidiary companies.

## Internal Control Systems

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

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

### (ii) Internal Controls over Financial Reporting

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

## Directors' Responsibility Statement

The Directors confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2016, 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, 2016 and of the loss of the Company for the year ended March 31, 2016;
- 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

Consequent to the assignment of loans by Punjab National Bank (PNB) to JMFARC, Mr. Rakesh Kumar, Nominee Director resigned from the Board of Directors of the Company on December 08, 2015.

In accordance with the provisions of the Act, Mr. Rohan 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 non-executive directors and executive directors.

## Board Evaluation

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

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors 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 Kumar Goyal	Chief Executive Officer
3.	Mr. Bhaskar Borkar	Chief Financial Officer
4.	#Mr. Rohit Darji	Asst. Company Secretary & Compliance Officer
5.	*Mr. Puneet Motwani	Company Secretary & Compliance Officer

# Ceased to be the Asst. Company Secretary & Compliance Officer w.e.f. February 15, 2016

\* Appointed as the Company Secretary & Compliance Officer w.e.f. February 15, 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 ₹ 0.27 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 Responsibility under the Act is not applicable.

## Risk and Concern

Changes in macro economic factors like 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, 2016.

## Auditors

At the Company's 48th Annual general meeting (AGM) held on September 19, 2014, M/s A. Husein Noumanali & Co., Chartered Accountants, Mumbai were appointed as the Company's Statutory

Auditors from the conclusion of the 48th AGM till the conclusion of the 51st AGM (subject to ratification of re-appointment by the members at every AGM held after the AGM in which the appointment was made) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

## Auditors' 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 on the basis of the registration of reference filed u/s 15(1) of the Sick Industrial Companies (Special Provision) Act 1985, before the Hon'ble Board for Industrial & Financial Reconstructions, has not provided for interest on financing facilities amount to ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) for the year ended March 31, 2016. Had the same been provided, the loss for the year ended March 31, 2016 would have increased by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) and corresponding bank liabilities would have increased by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) as at March 31, 2016 and net worth of the Company would have been lower by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs).”**

With the erosion of its entire net worth and its reference filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) was registered with BIFR vide their letter dated May 12, 2015. In view of the above position the Company has not provided for unpaid interest after the date the loans have been classified as NPA with the respective Banks in view of the uncertainties with regard to the ultimate outflow.

## Secretarial Audit

The Board appointed M/s Mayur More & Associates, Practising Company Secretary, to conduct Secretarial audit for the FY 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 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 the FY 2015-16.

## 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.

### 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 & 17 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

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Compliance Officer and the same will be furnished on request. The Annual Report is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

### 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.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Appreciation and acknowledgement

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, ARC, 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, 2016

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# 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 equipments have been imported from leading equipment manufacturers like Breton (Italy), Omis (Italy), Fraccarole E Balzan SPA (Italy) and Matec (Italy). The company's technicians have been imparted training in maintenance of these equipments by supplier's technicians. Technology has been fully absorbed.

**C) Foreign exchange earnings and outgo**

The information on foreign exchange earnings and outgo is furnished in the Note 27 & 28 to the Standalone Financial Statement.

**For and on behalf of the Board**

**Vivek Talwar**

Chairman & Managing Director  
DIN 00043180  
Mumbai, May 30, 2016



# ANNEXURE II

## Form No. AOC – 1

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

Part "A": Subsidiaries	₹ in Lacs															
	Name of Subsidiary Company	Nitco Holdings HK Co. Ltd.	New Vardhman Vitriified Pvt. Ltd.	Nitco Realities Pvt. Ltd.	Glamorous Properties Pvt. Ltd.	Opera Properties Pvt. Ltd.	Nitco IT Parks 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.
	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16
Paid up Capital	0.85	3,438.78	2.00	125.00	259.63	5.00	1.00	1.00	1.00	100.00	1.00	1.00	1.00	1.00	1.00	1.00
Reserves	4.88	564.35	699.95	259.63	(0.25)	(0.77)	(0.27)	(0.25)	(0.25)	(0.20)	(0.25)	(0.25)	(0.25)	(0.25)	(0.07)	(0.17)
Total Assets	6.16	16,907.23	16,001.20	506.11	368.02	368.02	451.12	334.83	334.83	103.67	243.96	137.98	597.83	436.55	394.45	3.34
Total Liabilities	0.43	12,904.10	15,299.25	121.48	363.27	363.27	450.39	334.08	334.08	3.88	243.21	137.23	597.08	435.80	393.52	2.51
Investments (except investment in subsidiary companies)	Nil	0.15	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	25.00	Nil	Nil	Nil	Nil	Nil
Net Turnover (Incl. other Income)	Nil	16,802.71	0.00	210.38	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit before taxation	Nil	497.62	(0.65)	0.12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Provision for taxation	Nil	120.41	0.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit after taxation	Nil	377.21	(0.65)	0.00	Nil	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	Nil
% of shareholding	100%	5%	100%	75%	100%	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, 2016

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 Vitriified Private Limited (Subsidiary)	Purchase of tiles	Continuous in nature and not for a specific period	In ordinary course of business	November 07, 2012	NIL

For and on behalf of the Board

### Vivek Talwar

Chairman & Managing Director

DIN 00043180

Mumbai, May 30, 2016

# ANNEXURE IV

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[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, Recondo Compound, Inside Municipal Asphalt Compound, S. K. Ahire Marg, Worli, Mumbai- 400 030 Tel: +91 22 66164555 Fax: +91 22 66164657
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar & Transfer Agent	Link Intime India Private Limited C-13, Panalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078; Tel: 022 2594 6970 Fax: 022 2594 6969

**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	79%
2	Processing of imported marble	26960	21%

**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 Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U45201MH2006PTC165337	Subsidiary	100%	Section 2(87)
2	New Vardhman Vitriified Private Limited Plot No. 2/52, Rupal Industrial Area, Opp. Manahar Dying, Damroli Road, Surat- 394221	U26933GJ2011PTC066282	Subsidiary	51%	Section 2(87)
3	Nitco IT Park Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70109MH2007PTC172768	Step down Subsidiary	100%	Section 2(87)
4	Nitco Aviation Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U93090MH2008PTC184057	Step down Subsidiary	100%	Section 2(87)
5	Meghdoot Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U45201MH2006PTC166528	Step down Subsidiary	100%	Section 2(87)
6	Opera Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70100MH1996PTC100383	Step down Subsidiary	100%	Section 2(87)
7	Feel Better Housing Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U45400MH2007PTC169306	Step down Subsidiary	100%	Section 2(87)
8	Glamorous Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70100MH2006PTC159880	Step down Subsidiary	75%	Section 2(87)
9	Roaring - Lion Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70102MH2007PTC176175	Step down Subsidiary	100%	Section 2(87)
10	Quick-Solution Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70109MH2007PTC174899	Step down Subsidiary	100%	Section 2(87)
11	Max Wealth Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U45201MH2007PTC174231	Step down Subsidiary	100%	Section 2(87)
12	Ferocity Properties Private Limited. Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70100MH2003PTC142221	Step down Subsidiary	100%	Section 2(87)
13	Silver-Sky Real Estates Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70109MH2008PTC181581	Step down Subsidiary	100%	Section 2(87)
14	Aileen Properties Private Limited Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U45201MH2011PTC213316	Step down Subsidiary	100%	Section 2(87)

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## IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

## A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% 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	7955447	2001	7957448	14.54	7967447	2001	7969448	14.57	0.03
b) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Any other	30080617	2241	30082858	55.00	30080617	2241	30082858	55.00	-
<b>Sub-Total shareholding of Promoter (1)</b>	<b>38036064</b>	<b>4242</b>	<b>38040306</b>	<b>69.54</b>	<b>38048064</b>	<b>4242</b>	<b>38052306</b>	<b>69.57</b>	<b>0.03</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>38036064</b>	<b>4242</b>	<b>38040306</b>	<b>69.54</b>	<b>38048064</b>	<b>4242</b>	<b>38052306</b>	<b>69.57</b>	<b>0.03</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	421287	-	421287	0.77	313287	-	313287	0.57	(0.2)
f) FI / Banks	-	2585	2585	0.00	-	2585	2585	0.00	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total = (B)(1)</b>	<b>421287</b>	<b>2585</b>	<b>423872</b>	<b>0.77</b>	<b>313287</b>	<b>2585</b>	<b>315872</b>	<b>0.57</b>	<b>(0.2)</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 ₹ 2 lakhs	5339013	88264	5427277	9.92	5776825	88364	5865189	10.72	0.80
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	2651211	-	2651211	4.85	2941018	-	2941018	5.38	0.53
b) NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trust	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% 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)	8154321	2351	8156672	14.92	7522602	2351	7524953	13.76	(1.16)
<b>Sub-total (B)(3)</b>	<b>16144545</b>	<b>90615</b>	<b>16235160</b>	<b>29.69</b>	<b>16240445</b>	<b>90715</b>	<b>16331160</b>	<b>29.86</b>	<b>0.17</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)</b>	<b>16565832</b>	<b>93200</b>	<b>16659032</b>	<b>30.46</b>	<b>16553732</b>	<b>93300</b>	<b>16647032</b>	<b>30.43</b>	<b>(0.03)</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>54601896</b>	<b>97442</b>	<b>54699338</b>	<b>100.00</b>	<b>54601796</b>	<b>97542</b>	<b>54699338</b>	<b>100.00</b>	<b>0.00</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 01, 2015]			No. of Shares held at the end of the year [As on March 31, 2016]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aurella Estates and Investments Pvt. Ltd.	25676949	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 Properties 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	62562	0.11	0.00	74562	0.14	0.00	0.03
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>38040306</b>	<b>69.54</b>	<b>58.50</b>	<b>38052306</b>	<b>69.57</b>	<b>58.50</b>	<b>0.03</b>

**C) Change in Promoters' Shareholding**

There was only one change in the Promoters' shareholding by increase of 12,000 Shares (purchase by Ms. Poonam Wasan) i.e. 0.03% of the shareholding in the FY 2015-16.

**D) Shareholding Pattern of top ten Shareholders**

**(other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions During 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
<b>1</b>	<b>LKP SECURITIES LTD</b>					
	<b>Beginning of the year</b>	<b>150200</b>	<b>0.2746</b>		<b>150200</b>	<b>0.2746</b>
	10 Apr 2015	-	-	1247265	1397465	2.5548
	24 Apr 2015	-	-	500	1397965	2.5557
	01 May 2015	-	-	(400)	1397565	2.5550
	08 May 2015	-	-	25	1397590	2.5550
	15 May 2015	-	-	(125)	1397465	2.5548
	29 May 2015	-	-	1200	1398665	2.5570
	05 Jun 2015	-	-	(800)	1397865	2.5555
	12 Jun 2015	-	-	100	1397965	2.5557
	19 Jun 2015	-	-	1000	1398965	2.5576
	26 Jun 2015	-	-	(349)	1398616	2.5569
	30 Jun 2015	-	-	(276)	1398340	2.5564
	03 Jul 2015	-	-	(875)	1397465	2.5548
	10 Jul 2015	-	-	150	1397615	2.5551
	17 Jul 2015	-	-	(150)	1397465	2.5548
	24 Jul 2015	-	-	188	1397653	2.5552
	31 Jul 2015	-	-	12	1397665	2.5552
	14 Aug 2015	-	-	(200)	1397465	2.5548
	21 Aug 2015	-	-	1993	1399458	2.5585
	28 Aug 2015	-	-	(1830)	1397628	2.5551
	04 Sep 2015	-	-	(163)	1397465	2.5548
	11 Sep 2015	-	-	500	1397965	2.5557
	18 Sep 2015	-	-	(500)	1397465	2.5548
	25 Sep 2015	-	-	200	1397665	2.5552
	09 Oct 2015	-	-	100	1397765	2.5554
	16 Oct 2015	-	-	(250)	1397515	2.5549
	23 Oct 2015	-	-	575150	1972665	3.6064
	30 Oct 2015	-	-	(575200)	1397465	2.5548
	13 Nov 2015	-	-	100	1397565	2.5550
	20 Nov 2015	-	-	900	1398465	2.5566
	27 Nov 2015	-	-	5700	1404165	2.5671
	04 Dec 2015	-	-	(6700)	1397465	2.5548
	11 Dec 2015	-	-	800	1398265	2.5563
	18 Dec 2015	-	-	72797	1471062	2.6894
	25 Dec 2015	-	-	(800)	1470262	2.6879
	31 Dec 2015	-	-	102350	1572612	2.8750
	01 Jan 2016	-	-	(101350)	1471262	2.6897
	08 Jan 2016	-	-	(1000)	1470262	2.6879
	15 Jan 2016	-	-	(72797)	1397465	2.5548

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions During 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
	22 Jan 2016	-	-	100	1397565	2.5550
	29 Jan 2016	-	-	100	1397665	2.5552
	05 Feb 2016	-	-	1400	1399065	2.5577
	12 Feb 2016	-	-	(900)	1398165	2.5561
	26 Feb 2016	-	-	72797	1470962	2.6892
	04 Mar 2016	-	-	1000	1471962	2.6910
	11 Mar 2016	-	-	2060	1474022	2.6948
	18 Mar 2016	-	-	(3760)	1470262	2.6879
	25 Mar 2016	-	-	25	1470287	2.6879
	31 Mar 2016	-	-	(25)	1470262	2.6879
	<b>End of the Year</b>				<b>1470262</b>	<b>2.6879</b>
<b>2</b>	<b>BUTTONS R US INDIA PVT LTD</b>					
	<b>Beginning of the year</b>	<b>441071</b>	<b>0.8064</b>		<b>441071</b>	<b>0.8064</b>
	31 Dec 2015	-	-	(100000)	341071	0.6235
	05 Feb 2016	-	-	(50000)	291071	0.5321
	<b>End of the Year</b>				<b>291071</b>	<b>0.5321</b>
<b>3</b>	<b>ELEPHANT INDIA FINANCE PVT LTD</b>					
	<b>Beginning of the year</b>	<b>287929</b>	<b>0.5264</b>		<b>287929</b>	<b>0.5264</b>
	04 Mar 2016	-	-	(15000)	272929	0.4990
	11 Mar 2016	-	-	(5000)	267929	0.4898
	31 Mar 2016	-	-	(5000)	262929	0.4807
	<b>End of the Year</b>				<b>262929</b>	<b>0.4807</b>
<b>4</b>	<b>ARCADIA SHARE &amp; STOCK BROKERS PVT LTD</b>					
	<b>Beginning of the year</b>	<b>7141</b>	<b>0.0131</b>		<b>7141</b>	<b>0.0131</b>
	10 Apr 2015	-	-	100	7241	0.0132
	01 May 2015	-	-	(225)	7016	0.0128
	22 May 2015	-	-	(190)	6826	0.0125
	05 Jun 2015	-	-	(1073)	5753	0.0105
	30 Jun 2015	-	-	2464	8217	0.0150
	03 Jul 2015	-	-	3979	12196	0.0223
	10 Jul 2015	-	-	929	13125	0.0240
	17 Jul 2015	-	-	10490	23615	0.0432
	24 Jul 2015	-	-	(320)	23295	0.0426
	31 Jul 2015	-	-	(895)	22400	0.0410
	07 Aug 2015	-	-	1326	23726	0.0434
	14 Aug 2015	-	-	5122	28848	0.0527
	21 Aug 2015	-	-	(3198)	25650	0.0469
	28 Aug 2015	-	-	(7296)	18354	0.0336
	04 Sep 2015	-	-	(3899)	14455	0.0264
	11 Sep 2015	-	-	(1482)	12973	0.0237
	18 Sep 2015	-	-	(1000)	11973	0.0219
	25 Sep 2015	-	-	1800	13773	0.0252
	30 Sep 2015	-	-	(18)	13755	0.0251
	09 Oct 2015	-	-	2375	16130	0.0295
	16 Oct 2015	-	-	2801	18931	0.0346

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		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
	23 Oct 2015	-	-	(1101)	17830	0.0326
	30 Oct 2015	-	-	(3800)	14030	0.0256
	06 Nov 2015	-	-	(1280)	12750	0.0233
	13 Nov 2015	-	-	(1500)	11250	0.0206
	20 Nov 2015	-	-	(3290)	7960	0.0146
	27 Nov 2015	-	-	3230	11190	0.0205
	04 Dec 2015	-	-	1235	12425	0.0227
	11 Dec 2015	-	-	(200)	12225	0.0223
	18 Dec 2015	-	-	200	12425	0.0227
	25 Dec 2015	-	-	201	12626	0.0231
	31 Dec 2015	-	-	(900)	11726	0.0214
	01 Jan 2016	-	-	139755	151481	0.2769
	08 Jan 2016	-	-	5115	156596	0.2863
	15 Jan 2016	-	-	384	156980	0.2870
	22 Jan 2016	-	-	250	157230	0.2874
	29 Jan 2016	-	-	150	157380	0.2877
	05 Feb 2016	-	-	(875)	156505	0.2861
	12 Feb 2016	-	-	125	156630	0.2863
	19 Feb 2016	-	-	1600	158230	0.2893
	26 Feb 2016	-	-	215	158445	0.2897
	04 Mar 2016	-	-	(50)	158395	0.2896
	18 Mar 2016	-	-	(950)	157445	0.2878
	25 Mar 2016	-	-	(1290)	156155	0.2855
	31 Mar 2016	-	-	(660)	155495	0.2843
	<b>End of the Year</b>				<b>155495</b>	<b>0.2843</b>
<b>5</b>	<b>PRITHVI FINMART PVT LTD</b>					
	<b>Beginning of the year</b>	<b>1117</b>	<b>0.0020</b>		<b>1117</b>	<b>0.0020</b>
	10 Apr 2015	-	-	950	2067	0.0038
	17 Apr 2015	-	-	(950)	1117	0.0020
	10 Jul 2015	-	-	500	1617	0.0030
	17 Jul 2015	-	-	125	1742	0.0032
	31 Jul 2015	-	-	(625)	1117	0.0020
	07 Aug 2015	-	-	6099	7216	0.0132
	14 Aug 2015	-	-	(5099)	2117	0.0039
	21 Aug 2015	-	-	2000	4117	0.0075
	28 Aug 2015	-	-	(1200)	2917	0.0053
	04 Sep 2015	-	-	(400)	2517	0.0046
	09 Oct 2015	-	-	2000	4517	0.0083
	23 Oct 2015	-	-	(3000)	1517	0.0028
	27 Nov 2015	-	-	5000	6517	0.0119
	04 Dec 2015	-	-	(5400)	1117	0.0020
	08 Jan 2016	-	-	50	1167	0.0021
	15 Jan 2016	-	-	(50)	1117	0.0020
	29 Jan 2016	-	-	100	1217	0.0022
	05 Feb 2016	-	-	13836	15053	0.0275
	12 Feb 2016	-	-	2758	17811	0.0326



Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions During 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
	19 Feb 2016	-	-	100	17911	0.0327
	11 Mar 2016	-	-	61261	79172	0.1447
	18 Mar 2016	-	-	60455	139627	0.2553
	25 Mar 2016	-	-	(20000)	119627	0.2187
	31 Mar 2016	-	-	20000	139627	0.2553
	<b>End of the Year</b>				<b>139627</b>	<b>0.2553</b>
<b>6</b>	<b>LKP FINANCE LTD</b>					
	<b>Beginning of the year</b>	<b>111565</b>	<b>0.2040</b>		<b>111565</b>	<b>0.2040</b>
	10 Apr 2015	-	-	2000	113565	0.2076
	21 Aug 2015	-	-	(2000)	111565	0.2040
	<b>End of the Year</b>				<b>111565</b>	<b>0.2040</b>
<b>7</b>	<b>SAVITA SINGH</b>					
	<b>Beginning of the year</b>	<b>0</b>	<b>0.0000</b>		<b>0</b>	<b>0.0000</b>
	14 Aug 2015	-	-	75000	75000	0.1371
	28 Aug 2015	-	-	25000	100000	0.1828
	25 Sep 2015	-	-	100000	200000	0.3656
	30 Sep 2015	-	-	(100000)	100000	0.1828
	<b>End of the Year</b>				<b>100000</b>	<b>0.1828</b>
<b>8</b>	<b>ANJU MISHRA</b>					
	<b>Beginning of the year</b>	<b>87000</b>	<b>0.1591</b>		<b>87000</b>	<b>0.1591</b>
	25 Sep 2015	-	-	87000	174000	0.3181
	30 Sep 2015	-	-	(87000)	87000	0.1591
	31 Dec 2015	-	-	(2000)	85000	0.1554
	<b>End of the Year</b>				<b>85000</b>	<b>0.1554</b>
<b>9</b>	<b>VALLARI PARAG SHAH</b>					
	<b>Beginning of the year</b>	<b>84723</b>	<b>0.1549</b>		<b>84723</b>	<b>0.1549</b>
	<b>End of the Year</b>	-	-		<b>84723</b>	<b>0.1549</b>
<b>10</b>	<b>PARAMBIR SINGH</b>					
	<b>Beginning of the year</b>	<b>0</b>	<b>0.0000</b>		<b>0</b>	<b>0.0000</b>
	04 Sep 2015	-	-	85000	85000	0.1554
	11 Dec 2015	-	-	(4000)	81000	0.1481
	<b>End of the Year</b>				<b>81000</b>	<b>0.1481</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 - Chairman & Managing Director	6323669	11.56	6323669	11.56
2	Mr. Bhaskar Borkar - Chief Financial Officer	71200	0.13	71200	0.13
3	# Mr. Rohit Darji - Company Secretary	1	0.00	1	0.00
4	*Mr. Puneet Motwani - Company Secretary	Nil	NA	Nil	NA

# Ceased to be Company Secretary & Compliance officer of the Company w.e.f. February 15, 2016.

\* Appointed as Company Secretary & Compliance officer w.e.f. February 15, 2016.

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

₹ In Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,257.51			1,257.51
ii) Interest due but not paid	18.47			18.47
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>1,275.98</b>	<b>-</b>	<b>-</b>	<b>1,275.98</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	34.02			34.02
* Reduction	9.26			9.26
<b>Net Change</b>	<b>24.76</b>	<b>-</b>	<b>-</b>	<b>24.76</b>
<b>Indebtedness at the end 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>

**VI. Remuneration of Directors and Key Managerial Personnel****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

₹ In Lacs

Sr. No.	Particulars of Remuneration	Name of the Managing Director Vivek Talwar
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.00
	(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>51.00</b>
	Ceiling as per the Act	60.00

**B. Remuneration to other Directors**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Rohan Talwar	Mr. Pradeep Saxena	Mr. Sharath Bolar	#Mr. Rakesh Kumar	Mrs. Bharti Dhar	
<b>1</b>	<b>Independent Directors</b>						
	Fee for attending board/committee meetings	-	1.68	1.68	-	1.00	4.36
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	<b>1.68</b>	<b>1.68</b>	-	<b>1.00</b>	<b>4.36</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>1.68</b>	<b>1.68</b>	-	<b>1.00</b>	<b>4.36</b>
	<b>Total Managerial Remuneration (A) + (B)</b>	-	-	-	-	-	<b>55.36</b>
	Overall Ceiling as per the Act	-	-	-	-	-	-

# Ceased to be Director from December 08, 2015

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CFO	CS*	
<b>1</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	262.32	164.89	6.41	433.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.91	-	1.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>262.61</b>	<b>165.80</b>	<b>6.41</b>	<b>434.82</b>

\* Comprises of remuneration paid to Mr. Rohit Darji for the period from April 01, 2015 to February 15, 2016 and to Mr. Puneet Motwani from February 15, 2016 to March 31, 2016.

**VII. Penalties / punishment/ compounding of offences**

There were no penalties/punishments or any compounding of offences during the financial year 2015-16.

# ANNEXURE - V

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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, Recondo Compound,  
Inside Municipal Asphalt Compound,  
S. K. Ahire Marg, Worli,  
Mumbai - 400 030

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practiced 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, 2016, 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, 2016, 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 NSE Limited;
- (ii) Secretarial Standard issued by the Institute of Company Secretaries of India;

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

- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (iii) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the 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, guidelines, 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**

##### **Proprietor**

ACS No 35249 COP No. 13104

Mumbai, May 28, 2016

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# 'ANNEXURE A'

To  
The Members,  
**NITCO Limited**  
NITCO House, Recondo Compound,  
Inside Municipal Asphalt Compound,  
S. K. Ahire Marg, Worli,  
Mumbai – 400 030.

Dear Sir / Madam,

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

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

For **Mayur More & Associates**

**Company Secretaries**  
**Proprietor**  
**ACS** No 35249 **COP** No. 13104  
Mumbai, May 28, 2016

# MANAGEMENT DISCUSSION & ANALYSIS

## Global economy

An upswing in construction activities, owing to the increasing urbanization, is boosting the demand for ceramic tiles significantly across the world. The global market for ceramic tiles attained a value of US\$76.81 billion in 2015 and expected to be expanding at a CAGR of 9.80% from 2016 to 2024, it is poised to reach US\$178.1 billion by 2024.

The worldwide ceramic tiles market is spread across Latin America, North America, Asia Pacific, Europe, and the Middle East and Africa. Currently, the highest consumption of ceramic tiles is being reported in Asia Pacific. In 2015, the region accounted for a share of 65.6% of the overall demand for these tiles in the world. The rapid urbanization has given significant rise to construction activities in emerging Asian economies such as South Korea, China and India, drawing an immense demand for these tiles in this region over the last few years.

As the construction industry continues to exhibit remarkable rise in Asia Pacific, the demand for ceramic tiles is projected to increase at a substantial pace in this region over the coming years. The shift in the preference for ceramic tiles over marble floors, metal slabs, and other decorative products is also anticipated to boost their consumption in this region in the near future.

## Indian economy

Gaining momentum, economy grew by 7.9% in 2016 quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6% for the full fiscal on robust manufacturing growth according to the Central Statistics Office (CSO).

India's gross value added (GVA) for the year grew by 7.2% in what economists termed a consumption-led recovery. The agriculture sector grew 1.2%. The sector contracted 0.2% in the previous year. Manufacturing grew 9.3%, but this is much higher than the 5.5% seen in FY 2014-15. The consolidated services sector grew 8.8% in FY 2015-16. Private final consumption expenditure, a proxy for private demand, grew at 7.4% in FY 2015-16 compared to 6.4% in the previous year. Growth in gross fixed capital formation, a measure of private sector investment, slowed down to 3.9% from 4.9% in FY 2014-15. Construction sector grew 3.9% in FY 2015-16 compared to 4.4% in the earlier year.

## Indian ceramic tiles industry

India's ranking in world ceramic tile production stands at #3 (China and Brazil are the top 2) and is growing at an annual growth rate of 15% contributed largely by urbanisation, a boom in the retail industry, and optimism in India's economic outlook. The domestic tiles industry is poised for a quantum leap-clock volume and value CAGR of 7.5% and 11.5%, respectively, over FY16-18E-butressed by multiple structural catalysts. India's low per capita tiles consumption, rising urbanisation & disposable incomes, virtually untapped but highly potential rural market and government's infrastructure push are burnishing the sector's prospects. Within industry, we anticipate organised players to wrest share from unorganised counterparts underpinned by innovations, premiumisation and higher ad spending, resulting in superior margin, profitability and RoCE.

Moreover, the asset light JV model, falling gas prices and GST implementation are likely to improve the cost which may further trigger the domestic consumption. It is estimated that the domestic tiles business to clock sustainable 25-30% RoE assuming 100% in-house manufacturing.



Rising housing demand is the key driver of the tiles industry in India. According to a KPMG report on real estate, the share of real estate sector in national GDP is expected to increase to 13% by 2028 from 6% in 2013. This entails immense growth potential for the tiles industry. Housing constitutes 70% of tiles demand, followed by commercial (15%) and replacement market (15%).

In the current Indian Ceramics Tile Industry, branding is a key prerequisite for success, in particular, ceramic tiles. While branding is believed to apply more to B2C companies, B2B companies are not exempt. A good example to evaluate this is the context of tiles which is a classic example of a combination of B2B and B2C

segments. A good portion of a tile manufacturer's sales is to institutional builders and dealers (B2B segments) while the rest is direct sales to end consumers (B2C segment).

For example there are wall tiles, floor tiles, and cladding tiles. Depending on the percentage of water absorption, floor tiles are classified as glazed tiles, vitrified tiles, and industrial tiles. Vitrified tiles have less than 0.5% water absorption and are acid/stain resistant. Within the range of vitrified tiles, further, there is a multiplicity of technology that offers more choice in terms of full body vitrified tiles, glazed vitrified tiles, and double charge vitrified tiles. But the consumer awareness of these options and of the brands is very limited.

Morbi is said to be the second largest tile cluster in the world. However, very few companies from the Morbi sector participate in the annual ceramic exhibitions. A major concentration of ceramic producers is in Morbi, Gujarat accounting for nearly 70% of the total production from the Regional Sector. Some of these tile producing units are growing steadily and sustainably and are setting new benchmarks not just in terms of efficiency and quality but also in setting new trends in creative and customised designs, shades, sizes, etc. Some of the well-known brands in the National Sector use Morbi producers as outsourcing or JV partners.

### Outlook

Introduction of digital technology has changed the face of design and new product development, life like design of natural Italian marble, stone and wood has actually made the Indian consumer get an array of choices and designs they can choose from. Tiles are now becoming a style statement and are used for bedroom and living room walls as well. 3D tiles are also being used for outdoor cladding, wall cladding and elevations, among others. Shift towards vitrified tiles is evident: Vitrified tiles, comprising nearly 50% of the ceramic tiles market, have witnessed robust growth over the past five years with increasing demand due to durability and easy maintenance, the shift to large size tiles which look seamless on the floor is also an urban trend propelling growth and profitability.

Overall in the ceramic tiles industry, there is a challenging need to have a professional and structured approach to sustainably create brand equity. It is important for tile producers not just to create brand names, but to develop brand identity and positioning. This needs to be communicated to customers (both B2B and B2C) in order to enhance brand awareness (recall and recognition) and brand image. In a category where ceramics are viewed as mere commodities, branding and high brand equity can provide companies with sustainable competitive advantage. And with the growth of strong Indian brands, India can envision being the world leader in ceramic tile production, ahead of even China and Brazil.

### Business segment review

#### Tiles

##### Overview

This segment consists of three products – ceramic floor and wall tiles, vitrified tiles and Naturoc tiles. The Company's annual tiles production capacity stood at 16 million sq. m as on March 31, 2016.

##### Key highlights 2015-16

- Launched over 200 SKUs covering mass and premium products
- Strengthened the GVT portfolio with the launch of PGVT and 800x800mm size. Also the vitrified DCH portfolio with the launch of MFD (marble flowing design). NITCO witnesses many new finish launch from new texture Barnio, Honed finish and the book match marble; differentiating its products in the market as innovative and architect focused.

##### 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.

## Marble

### Overview

The global market for crust stone is projected to reach 19.6 bn metric tons by 2020 driven by growing construction activity and healthy industrialisation in emerging markets. Asia pacific represents the fastest growing market worldwide with CAGR of 6.2%. The growth in this region is led by strong urbanisation and continuous industrialisation trend and the resultant rise in residential and infrastructure construction activity in economies such as China, India, Indonesia and other South East Asian countries. China is the largest producer of the crust stone in the world. The Middle East and Europe are the major markets in terms of consumption of the crust stone. The natural stone market is witnessing steady growth, encouraging the influx of new players in the market. China represents the leading producer of natural stone worldwide. In terms of threat, China, Turkey, Italy and India accounted for approximately 3/4th of the global market and direct export.

NITCO's Silvassa unit processes imported marble blocks using state-of-the-art technology. The Company's marble is of superior quality and design and finds usage as both an interior as well as an exterior flooring solution. This segment grew by 20% in terms of turnover in FY 2015-16.

### Key highlights 2015-16

- Launched 20 new products.
- Reinforced processes by reducing material consumption, Increase in production and started running the plant on 2.5 shift basis regularly.

### Products

- Natural marble: The design collection is inspired by natural blends and a keen understanding of consumer aesthetics to manufacture products with the best of textures, tones and technology. NITCO offers marbles of different colours (white, beige, red, brown, black and grey) and are procured from the world's leading quarries.
- Onyx marble: Onyx is a variety of chalcedony. The colours of its bands range from white to almost every colour (save some shades, such as purple or blue). Commonly, specimens of onyx contain bands of black and/or white. NITCO's collection includes many products such as Bianco Onyx, Onyx Esmeraldo and Golden Noir Onyx, among others.
- Engineered marble: Engineered marble consists of a range of agglomerated marble and quartz. A unique feature of these engineered stones is that they are maintenance-free and diverse in terms of designs, patterns and colours.

### Outlook

- New products with attractive designs and various sizes are expected to contribute at least 20% of our divisional revenues in FY 2016-17. The offerings introduced improved customer choice. This will improve the presence in the retail customer segment which will improve the bottom line.
- Our broad intent is to provide different varieties of coloured material to branch out our product portfolio and reinforce customer convenience.
- The customer base is stronger than before and we are getting into more projects.



## Real estate development

### Overview

The real estate sector that suffered much pain in the past two years is moving towards a more rational regime where developers, having learnt from mistakes, now focus on project execution and delivery. The market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6% to the country's Gross Domestic Product (GDP). In the period FY08-20, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2%. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Private Equity (PE) investments from foreign funds in the Indian realty market increased at a Compound Annual Growth Rate (CAGR) of 33% in year ending December 2015. Deal sizes have also increased in 2015, and residential projects both luxury and affordable have attracted a substantial amount of capital. Private Equity (PE) funds and Non-Banking Financial Companies (NBFCs) in India are seen increasingly investing jointly in real estate projects, in order to hedge risk and undertake bigger transactions. Due to the financial constraints faced by the Company during last few years all real estate developments are currently on hold.

### 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 2015 - 16

- Successfully implemented Mobile App 'TURBO' for the sales team which offered online access of critical MIS such as sales, collection, outstanding, customer dues, customer performance, inventory etc. and helped to improve sales productivity. Effectiveness of sales calls also got measured through systematic process of Monthly Journey Planning and Daily Call Reporting thru this Mobile Sales App;
- Implemented new Data Analytics software system to measure and present the important KPIs across all functions. This software was integrated with SAP ERP for all the source data. It helped the management to review the business performance on on-line basis;
- Successfully managed the business scenario additions and changes with the help of SAP customization and process automation using various software systems;
- Reduced the recurring IT Infrastructure maintenance cost by deploying Cloud Based solutions, IT network optimization and process controls.

## Human capital

### Overview

As on March 31, 2016, NITCO had 1031 employees on its payroll. NITCO enjoys cordial employee /industrial relations across all manufacturing units and regional sales offices.

#### Key highlights 2015-16

- The first phase of the quarterly training initiative called "SPARK" commenced in February 2016 with an objective to enhance the selling skills of the frontline sales staff across all regions in Tiles Division;
- In house functional and Product knowledge trainings were organized at regular intervals at Alibaug plant in order to sharpen existing skill levels of employees;
- An online induction module was launched to enable new joinees in the sales team to become familiar with the organization and its products and get an understanding of the processes and systems critical to perform the sales role efficiently and effectively;
- National Pension Scheme which offers scope for additional tax savings was introduced for all NITCO employees as part of optional component of compensation;
- Hiring of trainees from reputed institutes with Masters in management continued this year as part of NITCO's New Leader's Development Program;
- Policy on Prevention of Sexual Harassment of Women at Workplace was put in place for all employees with a view to promote awareness and sensitization about sexual harassment and provide a mechanism for its redressal;
- "Xpressions" a quarterly e-newsletter of NITCO was relaunched to help people connect with each other across the country and share achievements and happenings over the quarter;
- Domestic Travel Policy was revised with comprehensive coverage on all important aspects and made more employees' friendly;
- Employee engagement activities through sports tournaments, Quizzes, festival celebrations under the aegis of Nitcotine;
- NITCO successfully completed its second recertification audit in July 2015 and the auditors of TUV Nord recommended recertification for IMS ( ISO 9001, 14001 and OHSAS 18001) for the next three years.

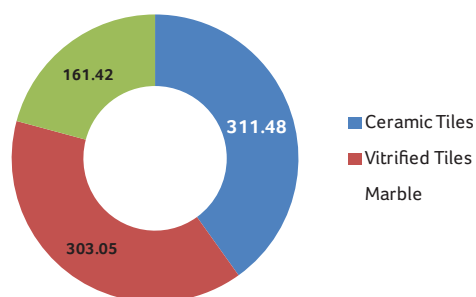
#### Financial review

Due to challenging environment, NITCO's net sales declined by 5.83% from ₹ 823.99 crores in FY 2014-15 to ₹ 775.95 crores in FY 2015-16.

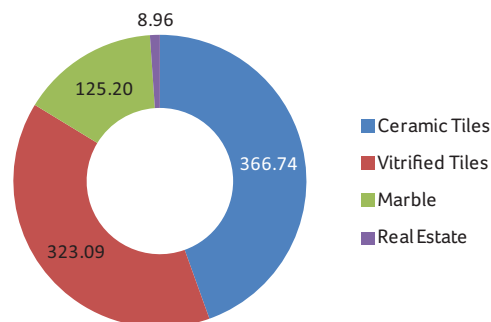
Due to sluggish economic scenario in India and depressed Real Estate market, the company could not get the desirable price for its Real Estate assets and hence the sale has been deferred.

### The Product Mix for last 2 years

FY2015-16 Product Mix (₹ In Crores)



FY2014-15 Product Mix (₹ In Crores)



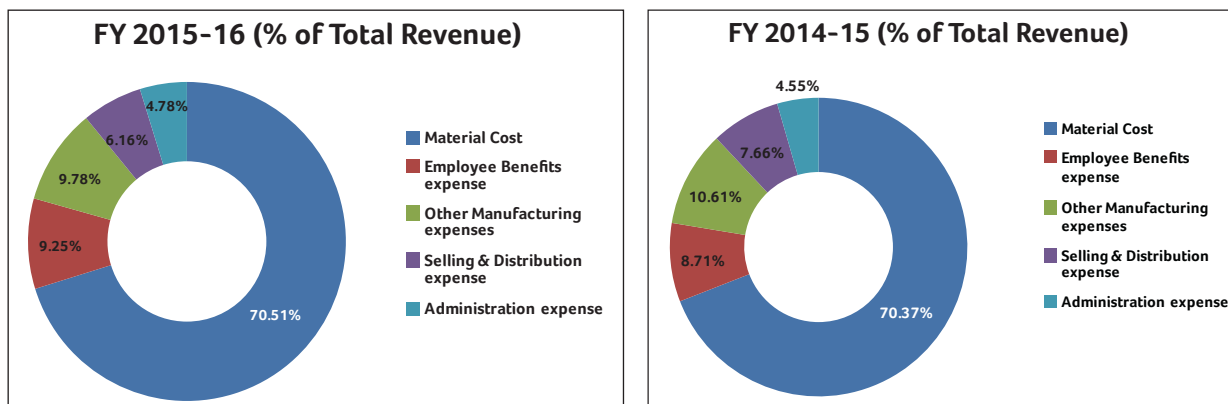
**EBITDA & Expense**

Despite reduction in turnover by 5.83%, EBITDA losses were reduced from ₹ 15.81 crores in FY 2014-15 to ₹ 3.74 crores in FY 2015-16 due to strict focus on costs. The various expenses head for FY 2014-15 and FY 2015-16 and a percentage of Total Revenue are as follows:

₹ in Lacs

Particulars	2015-16	% of Total Revenue	2014-15	% of Total Revenue
Material Cost	55,074.56	70.51%	58,258.11	70.37%
Employee Benefits expense	7,222.09	9.25%	7,212.86	8.71%
Other Manufacturing expenses	7,640.86	9.78%	8,786.59	10.61%
Selling & Distribution expense	4,814.71	6.16%	6,341.05	7.66%
Administration expense	3,732.71	4.78%	3,770.28	4.55%
<b>Total expenses</b>	<b>78,484.93</b>	<b>100.48%</b>	<b>84,368.89</b>	<b>101.91%</b>
<b>EBITDA</b>	<b>(373.84)</b>	<b>(0.48%)</b>	<b>(1,580.51)</b>	<b>(1.91%)</b>

- There is no significant variation in Material Cost as a percentage of Total Revenue.
- There is no significant variation in Employee Benefits expense; the percentage to Total Revenue has increased in FY 2015-16 as the Sales have reduced.
- Other manufacturing expenses has reduced due to various cost reduction measures undertaken by the Company.
- Selling and distribution expense have reduced in FY2015-16 as the Company has shifted to making direct sales from its factory wherein the freight cost is directly borne by the dealer.
- There is no significant variation in Administration expense; the percentage to Total Revenue has increased in FY 2015-16 as the Sales have reduced.

**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. As a consequence, interest costs were lower as compared to the previous year. Had the interest been provided at contracted rates, the interest for the year ended March 31, 2016 would have been higher by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) and corresponding bank liabilities would have increased by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) as at March 31, 2016 and net worth of the Company would have been lower by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs).

**Exceptional items**

In the previous financial year, GAIL India Limited had raised a demand of ₹ 1,497.15 Lacs (which was shown under "Contingent Liability") on the Company towards under drawn quantity of Re-Liquidified Natural Gas (RLNG) pertaining to calendar year 2014. This demand was raised under Take or Pay obligation under the long term supply contract for supply of Re-Liquidified Natural Gas (RLNG). During the current financial year, GAIL has settled the demand at ₹ 252.83 Lacs and accordingly, the same is classified under Exceptional Items.

**Equity share capital**

The Company's equity share capital is stated at ₹ 5,469.93 Lacs as of March 31, 2016.

**Borrowings**

The total debt of the Company is as under: ₹ in Lacs

Particulars	2015-16	2014-15
Long term borrowings	63,726.46	75,508.51
Current maturity shown under "Current Liabilities"	54,905.22	43,909.32
Short term borrowings	11,442.40	8,180.57
<b>Total Debt</b>	<b>1,30,074.08</b>	<b>1,27,598.40</b>

The debt has increased due to devolvement of letter of credit during the year.

**Working capital**

- Inventory has reduced from ₹ 18,504.66 Lacs in FY 2014-15 to ₹ 18,082.14 Lacs in FY 2015-16;
- Inventory – Real Estate has marginally increased from ₹ 17,884.24 Lacs in FY 2014-15 to ₹ 17,959.09 Lacs in FY 2015-16;
- Due to tight liquidity conditions prevailing in the real estate sector, Trade receivables have increased from ₹ 12,175.71 Lacs in FY 2014-15 to ₹ 15,436.15 Lacs in FY 2015-16;
- Trade payables have increased from ₹ 16,869.28 Lacs in FY 2014-15 to ₹ 17,666.06 Lacs in FY 2015-16.

**Capital expenditure**

The Company did not incur any major capex during the year as the Company opted to increase its capacity through its joint venture and outsourcing arrangements.

**Sick Industrial Companies (Special Provisions) Act, 1985 & Board For Industrial and Financial Reconstruction**

The net worth of the Company has been fully eroded and being mandatory requirement, a reference was filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) and the same was registered with BIFR vide their letter dated May 12, 2015.

**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 balances risks and rewards.

**Perception risk**

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

**Mitigation**

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

**Business slowdown risk**

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

**Mitigation**

The Company has emerged as a one-stop shop for tiles 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 minimising 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 Vitriified Private Limited, with a 51% stake. Introduction of GST will improve the competitive position of the organised 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 color prism technology are the new and updated technologies used in the present year.

**Client attrition risk**

A substantial portion of the Company's total sales comes from retail clients. 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. The Company also customises products to cater to specific requirements. Some of its brand-enhancing customers include Pantaloons, Reliance Retail, Prestige, Rahejas, Godrej, Oberoi Construction, DLF, L&T and Unitech 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 regularly introduces innovative design range besides engaging with the dealer fraternity through various programmes, which helps in retaining dealer loyalty.

# 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 Non-executive Directors and Independent Directors, which meet and deliberate regularly to discharge their obligations.

## 2. BOARD OF DIRECTORS

As on March 31, 2016, the Company's Board consisted of five 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, 2016 are as under:

Sr. No.	Name of the Director/DIN No.	Category Independent/ Non executive / Executive)	Number of Directorships held in other Companies	Number of Board Committee Memberships/Chairmanships held in other Companies	
				Memberships	Chairmanship
1	Mr. Vivek Talwar DIN: 00043180	Executive Director	19	-	-
2	Mr. Rohan Talwar DIN: 03405064	Non- Executive and Non Independent Director	17	-	-
3	Mr. Pradeep Saxena DIN: 00288321	Non- Executive and Independent Director	16	-	-
4	Mr. Rakesh Kumar# DIN: 06699549	Nominee Director	1	-	-
5	Mr. Sharath Bolar DIN: 07009701	Non- Executive and Independent Director	NIL	-	-
6	Mrs. Bharti Dhar DIN: 00442471	Non- Executive and Independent Director	1	-	-

# Ceased to be a Director with effect from December 08, 2015.

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

### (ii) DIRECTORS' PROFILE

**Mr. Vivek Talwar**, son of Late Mr. Pran Nath Talwar and aged 59 years, is the Chairman & Managing Director of your Company. He has a rich experience of over 35 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. Rohan Talwar**, aged 31 years, was appointed as a Non Executive Director of the Company on May 03, 2012. He is the son of Mr. Vivek Talwar, the Chairman & Managing Director of the Company. He has completed his Bachelor's in Business Administration from Carnegie Mellon University, USA. He is currently looking after his business in the hospitality sector. He is not involved in the business of the Company.

**Mr. Pradeep Saxena**, aged 68 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 65 years, joined the Company as a Director in 2014. Mr. Sharath Bolar has 35 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 a Director in 2015, is a 1986 batch Commerce graduate and a qualified Cost and Management Accountant. She has rich and varied experience of 26 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, 2016

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. Rakesh Kumar#	4	0	No
5	Mr. Sharath Bolar	4	4	Yes
6	Mrs. Bharti Dhar	4	4	Yes

# Ceased to be a Director with effect from December 08, 2015

Meetings of the Board of Directors were held on May 29, 2015, August 03, 2015, November 06, 2015 and February 05, 2016.

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 Directors and Management Personnel. They review the performance of Non- Independent Directors and the Board as a whole, review the performance of Chairman of the Board, assess the quality, quantity and timeliness of the flow of information between management and the Board that is necessary for it to effectively and reasonably perform its duties.

One meeting of Independent Director was held during the year on February 05, 2016.

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

Section 177 of Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which had become effective on December 01, 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 Member	No. of meetings held	No. of meetings attended
1	Mr. Pradeep Saxena -Chairman & Non-Executive and Independent Director	4	4
2	Mr. Vivek Talwar- Managing Director	4	4
3	Mr. Sharath Bolar - Non-Executive & Independent Director	4	4

Meetings of the Audit Committee of the Board of Directors were held on May 29, 2015, August 03, 2015, November 06, 2015 and February 05, 2016.

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, 2016, is as follows:

#### Meetings and Attendance

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

Meetings of the Stakeholders Relationship Committee of Board of Directors were held on August 21, 2015, October 28, 2015 and December 28, 2015. During the year 3 complaints were received and resolved. There were no complaints of Shareholders pending as on March 31, 2016.

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 Member
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

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

#### (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, 2016 are as under:

							₹ in Lacs
Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total	
Mr. Vivek Talwar*	Chairman & Managing Director	48.00	3.00	-	-	51.00	
Mr. Pradeep Saxena	Independent Director	-	-	-	1.68	1.68	
Mr. Rohan Talwar	Non - Independent Director	-	-	-	-	-	
Mr. Rakesh Kumar#	Nominee Director	-	-	-	-	-	
Mr. Sharath Bolar	Independent Director	-	-	-	1.68	1.68	
Mr. Bharti Dhar	Independent Director	-	-	-	1.00	1.00	

\* 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 December 08, 2015

Tenure of the Managing Director is three years from April 01, 2014

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 companies, *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.

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 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. 37 of the Standalone 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 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. SHAREHOLDERS' INFORMATION**

- (i) The Annual General Meeting** is scheduled to be held on Wednesday, the 21st day of September, 2016 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.
- (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
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*
2012-13	September 30, 2013	Monday	11.00 a.m.	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No

\* 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 14, 2016 to September 21, 2016 (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 2016- 17.
- (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-13 Pannalal Silk Mills Compound,  
 L. B. S. Marg, Bhandup (W), Mumbai - 400 078.  
 Tel: 022 2594 6970; Fax: 022 2594 6969  
 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
 Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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

Month	BSE		NSE	
	High	Low	High	Low
April '15	19.45	15.55	16.60	15.80
May '15	18.50	14.80	18.30	15.00
June '15	24.40	16.15	23.80	21.70
July '15	33.20	22.60	31.30	29.10
August '15	39.35	25.00	33.90	31.50
September '15	34.25	26.65	30.70	29.75
October '15	38.50	29.30	35.00	32.30
November '15	44.60	30.00	42.80	39.90
December '15	51.80	34.00	51.90	47.00
January '16	50.75	31.55	41.70	40.30
February '16	44.00	28.40	31.45	29.30
March '16	42.00	30.40	41.70	39.00

**(x) Shareholding pattern as on March 31, 2016**

Category	No. of shares held	Percentage of total shareholding
<b>Promoters' holding</b>		
Promoters	32826607	60.01
Promoters' group	5225699	9.55
<b>Sub-total (A)</b>	<b>38052306</b>	<b>69.56</b>
<b>Public shareholding</b>		
Financial Institutions/ Banks	2585	0.00
Foreign Portfolio Investor	313287	0.57
Non-Institutions	8806207	16.10
Others	7524953	13.77
<b>Sub-total (B)</b>	<b>16647032</b>	<b>30.44</b>
<b>Grand total (A+B)</b>	<b>54699338</b>	<b>100.00</b>

**(xi) Distribution of shareholding as on March 31, 2016**

No. of equity shares	No. of share holders	Percentage of shareholders	No. of shares held	Percentage of shareholding
1 - 500	11922	82.41	1739674	3.19
501 - 1000	1213	8.38	1032638	1.89
1001 - 2000	614	4.24	967931	1.77
2001 - 3000	201	1.39	516087	0.94
3001 - 4000	89	0.62	319852	0.58
4001 - 5000	105	0.73	504453	0.92
5001 - 10000	150	1.04	1123327	2.05
10001 and above	172	1.19	48495376	88.66
<b>Total</b>	<b>14466</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:

<b>For the Financial Year</b>	<b>Due date for transfer to the Central Government</b>
2008-09	October 24, 2016
2010-11	November 03, 2018

Members who have not encashed their Dividend Warrants for the above financial years 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.

<b>Securities</b>	<b>As on April 01, 2015</b>		<b>Shareholders who approached the Registrar and Shares transferred in their favour during the year</b>		<b>Balance as on March 31, 2016</b>	
	<b>No. of records</b>	<b>No. of shares</b>	<b>No. of records</b>	<b>No. of shares</b>	<b>No. of records</b>	<b>No. of shares</b>
Equity Shares	11	785	0	0	11	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 Share Transfer Agent.

For and on behalf of the Board

**Vivek Talwar**

Chairman & Managing Director  
DIN 00043180  
Mumbai, May 30, 2016

# 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, 2016.

For NITCO Limited

**Vivek Talwar**

Chairman & Managing Director

Mumbai, May 30, 2016

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# Auditors' 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, 2016, as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, of the said Company with the stock exchanges of India.

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

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

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

**For A. Husein Noumanali & Co**

Chartered Accountants

Firm Registration No. 107173W

**(A. Husein Noumanali)**

Proprietor

M.No. 14757

Mumbai, May 30, 2016

Statutory Reports

# **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, 2016 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

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

Mumbai, May 30, 2016

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# 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, 2016, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurements issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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, 2016
  - 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 on the basis of the registration of reference filed u/s 15(1) of the Sick Industrial Companies (Special Provision) Act 1985, before the Hon'ble Board for Industrial & Financial Reconstructions, has not provided for interest on financing facilities amount to ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) for the year ended March 31, 2016. Had the same been provided, the loss for the year ended March 31, 2016 would have increased by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) and corresponding bank liabilities would have increased by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs) as at March 31, 2016 and net worth of the Company would have been lower by ₹ 19,694.75 Lacs (previous year ₹ 10,739.55 Lacs).**

**Emphasis of matter**

10. a) Financial Statements have been prepared on a going concern basis. The Company has incurred a net loss of ₹ 6,276.64 Lacs (previous year ₹ 12,722.21 Lacs) during the year ended March 31, 2016 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. 37 to the financial statements relating to Corporate Debt Restructuring (CDR) package approved by the CDR Empowered Group.
- c) The dues to banks / lenders are subject to reconciliation.

**Report on other Legal and Regulatory Requirements**

11. (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (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.
- (2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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, 2016 on its financial position in its standalone statements - Refer Note 36.
    - (ii) The Company has not entered into any long-term contracts including derivative contracts as at March 31, 2016 for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

**(A. Husein Noumanali)**  
**Proprietor**  
M. No. 14757  
Mumbai, May 30, 2016

# 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, 2016.

- (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 immovable property which amounts to gross block of ₹ 145.66 Lacs and net block of ₹ 139.64 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 ₹ 17,227.80 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 records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and 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, 2016 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	Financial Year to which amount relates
Central Excise Act, 1944	Excise Duty	Commissioner Central Excise & Customs.	45.30	FY 2006-07 to 2008-09
		Customs, Excise & Service Tax Appellate Tribunal, (CESTAT), Mumbai	1,961.35	FY 2007 to 2012
Customs Act, 1962	Customs Duty	Commissioner Central Excise & Customs.	731.20	FY 2008-2009
		Customs, Excise & Service Tax Appellate Tribunal, (CESTAT), Mumbai	20.37	FY 2004-05 to 2013-14



				₹ in Lacs	
Name of the Statute	Nature of the dues	Forum	Amount	Financial Year to which amount relates	
Sales Tax/ VAT	VAT	Jt Commissioner of Sales Tax, Maharashtra	1,101.23	FY 1997-98 to 2011	
		Tribunal, Uttar Pradesh	11.23	FY 2009-10	
		Special Taxes officer - Rajasthan	0.50	FY 2010-11	
		Revision Board, West Bengal	66.12	FY 2007-2011	
		Dy. Commissioner of Sales tax, Tamil Nadu	10.64	FY 2006-2009	
		Tribunal, Karnataka	6.74	FY 2009-10	
Income Tax Act, 1961	Income Tax	High Court, Mumbai	33.73	Block 1987-1997	
		Commissioner of Income Tax (Appeal)	30.64	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 any financial institution or bank or Government or dues to debenture holders as at the balance sheet date as under: The period of default ranges around 12-24 months.

Name of the Banks	₹ in Lacs		
	Overdue Interest as on 31.03.2016	Overdue Principal as on 31.03.2016	Total overdue as on 31.03.2016
State Bank of India (Assigned to JMFARC*)	6,051.96	11,147.72	17,199.68
State Bank of Hyderabad (Assigned to JMFARC*)	2,199.17	2,141.84	4,341.01
IDBI Bank (Assigned to JMFARC*)	1,998.98	2,361.55	4,360.53
Corporation Bank (Assigned to JMFARC*)	1,681.76	1,938.83	3,620.59
Indian Overseas Bank	1,021.06	1,060.19	2,081.25
Lakshmi Vilas Bank (Assigned to JMFARC*)	913.84	1,120.75	2,034.59
Dena Bank (Assigned to JMFARC*)	676.87	666.28	1,343.15
EXIM (Assigned to JMFARC*)	620.55	695.21	1,315.76
LIC of India	417.44	612.34	1,029.78
Vijaya Bank (Assigned to JMFARC*)	950.88	838.30	1,789.18
State Bank of Mysore (Assigned to JMFARC*)	522.80	444.02	966.82
State Bank of Patiala (Assigned to JMFARC*)	428.09	469.82	897.91
Catholic Syrian Bank (Assigned to JMFARC*)	1,301.38	1,139.89	2,441.27
State Bank of Travancore (Assigned to JMFARC*)	773.89	877.96	1,651.85
Punjab National Bank (Assigned to JMFARC*)	9,297.53	22,061.16	31,358.69
Syndicate Bank	3,113.67	4,947.06	8,060.73
DBS Bank	5.08	76.73	81.81
Tata Capital Ltd	-	45.00	45.00
<b>TOTAL</b>	<b>31,974.95</b>	<b>52,644.65</b>	<b>84,619.60</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.
- (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**

M. No. 14757

Mumbai, May 30, 2016

## Annexure B 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 standalone financial statements for the year ended March 31, 2016

### **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, 2016 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 systems 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.

### 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, 2016, 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**

M. No. 14757

Mumbai, May 30, 2016

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# Balance Sheet

as at March 31, 2016

₹ in Lacs

Particulars	Note	As at March 31, 2016	As at March 31, 2015
<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	(15,659.19)	(9,382.55)
<b>Total Shareholders' Funds</b>		<b>(10,189.26)</b>	<b>(3,912.62)</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	63,726.46	75,508.51
(b) Deferred tax liabilities (Net)		2,034.84	2,034.84
(c) Long-term provisions	4	236.09	231.54
<b>Total Non-Current Liabilities</b>		<b>65,997.39</b>	<b>77,774.89</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	5	11,442.40	8,180.57
(b) Trade payables	6	17,666.06	16,869.28
(c) Other current liabilities	7	57,977.88	45,993.53
(d) Short-term provisions	8	184.59	146.75
<b>Total Current Liabilities</b>		<b>87,270.93</b>	<b>71,190.13</b>
<b>TOTAL - Equity and Liabilities</b>		<b>143,079.06</b>	<b>145,052.40</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	9		
(i) Tangible assets		56,352.67	60,832.13
(ii) Capital work-in-progress		194.42	373.48
<b>Total Fixed Assets</b>		<b>56,547.09</b>	<b>61,205.61</b>
(b) Non-current investments	11	2,735.36	2,735.36
(c) Long-term loans and advances	12	18,883.83	18,857.16
<b>Other Non-Current Assets</b>		<b>21,619.19</b>	<b>21,592.52</b>
<b>2 Current Assets</b>			
(a) Inventories	13	18,082.14	18,504.66
(b) Inventories - Real Estate	14	17,959.09	17,884.24
(c) Trade receivables	15	15,436.15	12,175.71
(d) Cash and bank balances	16	1,869.51	1,814.22
(e) Short-term loans and advances	17	5,120.13	4,567.56
(f) Other current assets	18	6,445.76	7,307.88
<b>Total Current Assets</b>		<b>64,912.78</b>	<b>62,254.27</b>
<b>TOTAL - Assets</b>		<b>143,079.06</b>	<b>145,052.40</b>

As per our Report of even date

For and on behalf of the Board of Directors of NITCO Limited

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, 2016

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2016

Particulars	Note	₹ in Lacs	
		Year ended March 31, 2016	Year ended March 31, 2015
<b>I. Revenue From Operations</b>			
Sale of products	19	85,161.14	90,261.02
Less: Excise Duty		3,312.89	3,152.54
Less: Sales Tax		4,253.22	4,709.04
<b>Net sales of products</b>		<b>77,595.03</b>	<b>82,399.44</b>
Other operating revenues		425.58	299.96
<b>Net Sales</b>		<b>78,020.61</b>	<b>82,699.40</b>
<b>II. Other income</b>		90.48	88.98
<b>III. Total Revenue (I + II)</b>		<b>78,111.09</b>	<b>82,788.38</b>
<b>IV. Expenses</b>			
Cost of materials consumed	20	19,319.74	17,860.96
Purchases of Stock-in-Trade		36,145.36	37,325.54
Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	21	(390.54)	3,071.61
Employee benefits expense	22	7,222.09	7,212.86
Finance costs	23	519.10	4,217.13
Depreciation and amortization expense	9	5,130.87	6,227.82
Other expenses	24	16,188.28	18,897.92
<b>Total Expenses</b>		<b>84,134.90</b>	<b>94,813.84</b>
<b>V. Loss before exceptional items and tax (III-IV)</b>		<b>(6,023.81)</b>	<b>(12,025.46)</b>
VI. Exceptional items	33	252.83	696.75
<b>VII. Loss before tax (V - VI)</b>		<b>(6,276.64)</b>	<b>(12,722.21)</b>
<b>VIII. Tax expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>IX. Loss for the year</b>		<b>(6,276.64)</b>	<b>(12,722.21)</b>
X. Earnings per equity share			
(1) Basic		(11.47)	(23.26)
(2) Diluted		(11.47)	(23.26)

As per our Report of even date

For and on behalf of the Board of Directors of NITCO Limited

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, 2016

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

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# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit Before Tax	(6,276.64)	(12,722.21)
Adjustments for:		
Depreciation and amortisation expense (net)	5,130.87	6,227.82
Diminution in value of investment	-	4.70
(Profit) / loss on sale / write off of assets (net)	11.34	5.24
Finance costs (net)	376.02	4,158.19
Net unrealised exchange (gain) / loss	143.08	58.94
	5,661.31	10,454.89
Operating Profit Before Working Capital Changes	(615.33)	(2,267.32)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	347.67	2,236.56
Trade receivables	(3,260.44)	580.92
Loans and advances	(537.36)	(1,056.56)
Other current assets	827.86	601.53
Margin Money held with Bank	(15.21)	724.43
Other non-current assets	21.50	(887.25)
	(2,615.98)	2,199.63
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables and Other current liabilities	1,823.07	2,429.77
Other non-current liabilities	4.55	(53.34)
	1,827.62	2,376.43
	(788.36)	4,576.06
Cash Generated From Operations	(1,403.69)	2,308.74
Direct Taxes Paid (net of refund of taxes)	34.26	(60.61)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(1,369.43)</b>	<b>2,248.13</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)	(483.70)	(373.68)
Current / Non-current Investments	-	398.74
	(483.70)	25.06
<b>Net Cash Flow From / (Used In) Investing Activities (B)</b>	<b>(483.70)</b>	<b>25.06</b>
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in other than short-term borrowings	(786.14)	(1,022.65)
Net increase / (decrease) in short-term borrowings	3,261.83	3,461.10
Advance to Subsidiary/Related Companies	(48.17)	(24.64)
Finance costs (Net)	(376.02)	(4,158.19)
	2,051.50	(1,744.38)
<b>Net Cash Flow From / (Used In) Financing Activities (C)</b>	<b>2,051.50</b>	<b>(1,744.38)</b>
<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>198.37</b>	<b>528.81</b>

# Cash Flow Statement

for the year ended March 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents at the beginning of the year	1,814.22	1,344.35
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(143.08)	(58.94)
<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>1,869.51</b>	<b>1,814.22</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)]	1,869.51	1,814.22
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	20.45	5.70
(b) In current accounts	1,847.72	1,806.89
(c) In earmarked accounts - Unpaid dividend accounts	1.34	1.63
	1,869.51	1,814.22
(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 of NITCO Limited

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, 2016

**Ashok Kumar Goyal**  
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## 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 is 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 Company managed to reduce its EBITDA losses 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 statements on a 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. 37.

### 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 of 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, sales taxes and excise duties (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 01, 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 lower of cost and net realisable value. Cost is computed on moving weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

##### Inventories are valued on the following basis

- Stores and Spares - at moving weighted average basis.
- Raw Materials - at moving weighted average basis.
- Work-in-Progress - 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.

**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/VAT 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 extra-ordinary/ exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares as may be applicable. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

- 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, 2016

### 1. Share capital

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<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 March 31, 2016	As at March 31, 2015
	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, 2016	No. of Shares	% held as at March 31, 2015
	Aurella Estates & Investments Private Limited	2,56,76,949	46.94	2,56,76,949
Vivek Prannath Talwar	63,23,669	11.56	63,23,669	11.56

**2. Reserves and surplus**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<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	4,356.63
(+) Adjustment of depreciation (refer Note 38)	-	(509.72)
<b>Closing balance</b>	<b>3,846.91</b>	<b>3,846.91</b>
<b>Balance in Profit &amp; Loss Account</b>		
Opening balance	(49,791.61)	(37,069.40)
(+) Net (Loss) For the current year	(6,276.64)	(12,722.21)
<b>Closing Balance</b>	<b>(56,068.25)</b>	<b>(49,791.61)</b>
<b>Total</b>	<b>(15,659.19)</b>	<b>(9,382.55)</b>

**3. Long term borrowings****3.1. Long-Term Borrowings (refer to note 37)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Term Loans - from banks/ financial institutions	9,011.91	73,648.05
Term Loans - from other parties	54,581.97	1,844.40
Long term maturities of finance lease	132.58	16.06
<b>Total</b>	<b>63,726.46</b>	<b>75,508.51</b>

Note:

- i. 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.
- ii. No provision has been made for interest unpaid to CDR lenders.
- iii. 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, 2016	Shown under "Long Term Borrowings" as on March 31, 2016	Current maturities of long term debt included in "Other Current liabilities" as at March 31, 2016	Interest rate % as at year end	Repayment schedule	Nature of security
<b>Term loans from banks &amp; financial institution covered under Corporate Debt Restructuring (CDR) package</b>						
Term loan	40,232.09	24,199.68	16,032.41	11.25%	32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	15,774.99	7,786.96	7,988.03	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	44,918.96	22,387.18	22,531.78	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	7,445.38	7,619.39	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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>115,990.81</b>	<b>61,819.20</b>	<b>54,171.61</b>			
<b>Term loans from banks &amp; financial institution not covered under Corporate Debt Restructuring package</b>						
Term loan from others	619.29	230.28	389.01	3M LIBOR plus 2.60%	12 structured quarterly installments commencing from March 31, 2015	First pari passu charge on Silvassa Plant and guaranteed by promoter.
Term loan from others	941.50	769.21	172.29	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	947.50	775.19	172.31	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	132.58	132.58	-	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>2,640.87</b>	<b>1,907.26</b>	<b>733.61</b>			
<b>Grand Total</b>	<b>118,631.68</b>	<b>63,726.46</b>	<b>54,905.22</b>			

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

**4. Long term provisions**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	236.09	231.54
<b>Total</b>	<b>236.09</b>	<b>231.54</b>

**5. Short Term Borrowings (refer to note 37)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Loan Repayable on Demand		
<b>Secured</b>		
From Banks		
- Cash Credit *	11,442.40	8,180.57
<b>Total</b>	<b>11,442.40</b>	<b>8,180.57</b>

\* [Above figures includes LC devolvement of ₹ 5,261.34 Lacs (previous year ₹ 2,052.56 Lacs)]

- i. 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.
- ii. No provision has been made for unpaid interest to CDR lenders.
- iii. 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**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises	686.03	467.96
Others	16,980.03	16,401.32
<b>Total</b>	<b>17,666.06</b>	<b>16,869.28</b>

**7. Other current liabilities**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Current Maturity of Long Term Debt	54,905.22	43,909.32
Unpaid Dividends	1.34	1.63
Amount payable to capital creditors	106.35	90.38
Provision for expenses	635.92	448.93
Deposits received	1,118.92	1,030.93
Other payables	1,210.13	512.34
<b>Total</b>	<b>57,977.88</b>	<b>45,993.53</b>

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

**8. Short term provisions**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	85.73	91.86
Provision for Gratuity	98.86	54.89
<b>Total</b>	<b>184.59</b>	<b>146.75</b>

## 9. Fixed assets

₹ in Lacs

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Freehold Land	5,859.19	32.00	-	5,891.19	-	-	-	-	5,891.19	5,859.19
Buildings	19,764.26	254.38	480.25	19,538.39	5,410.89	1,436.61	480.25	6,367.25	13,171.14	14,353.37
Office Equipment	2,107.08	52.13	639.32	1,519.89	1,756.31	175.69	636.54	1,295.46	224.43	350.77
Plant & Machinery	54,549.52	141.75	244.18	54,447.09	17,972.47	2,899.33	244.18	20,627.62	33,819.47	36,577.05
Electrical Installations	1,114.66	-	82.47	1,032.19	732.14	100.50	82.47	750.17	282.02	382.52
Furniture & Fixtures	2,850.45	2.66	396.17	2,456.94	1,686.82	321.33	396.17	1,611.98	844.96	1,163.63
Windmill	3,680.54	-	-	3,680.54	1,738.35	151.36	-	1,889.71	1,790.83	1,942.19
<b>Total Owned Assets</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>1,839.61</b>	<b>32,542.19</b>	<b>56,024.04</b>	<b>60,628.72</b>
<b>Total Owned Assets (Previous year)</b>	<b>89,530.26</b>	<b>444.09</b>	<b>48.65</b>	<b>89,925.70</b>	<b>22,795.11</b>	<b>6,545.24</b>	<b>43.37</b>	<b>29,296.98</b>	<b>60,628.72</b>	<b>66,735.15</b>
Leasehold Land	145.66	-	-	145.66	3.01	3.01	-	6.02	139.64	142.65
Motor Vehicles	680.49	172.00	60.30	792.19	619.72	43.04	59.56	603.20	188.99	60.76
<b>Total Leasehold Assets</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>59.56</b>	<b>609.22</b>	<b>328.63</b>	<b>203.41</b>
<b>Total Leasehold Assets (Previous year)</b>	<b>841.23</b>	<b>9.28</b>	<b>24.36</b>	<b>826.15</b>	<b>453.57</b>	<b>192.30</b>	<b>23.14</b>	<b>622.73</b>	<b>203.41</b>	<b>387.66</b>
<b>Total Assets</b>	<b>90,751.85</b>	<b>654.92</b>	<b>1,902.69</b>	<b>89,504.08</b>	<b>29,919.71</b>	<b>5,130.87</b>	<b>1,899.17</b>	<b>33,151.41</b>	<b>56,352.67</b>	<b>60,832.13</b>
<b>Total Assets (Previous year)</b>	<b>90,371.49</b>	<b>453.37</b>	<b>73.01</b>	<b>90,751.85</b>	<b>23,248.68</b>	<b>6,737.54</b>	<b>66.51</b>	<b>29,919.71</b>	<b>60,832.13</b>	<b>67,122.81</b>
<b>Capital work-in-progress</b>									<b>194.42</b>	<b>373.48</b>

(Please refer to Note no 38)

**10. Vehicles taken on finance lease**

Future obligations towards lease rentals under the lease agreements as on March 31, 2016 is as under:

₹ in Lacs						
Particulars	Outstanding As at March 31, 2016	Outstanding As at March 31, 2015	Future Interest March 31, 2016	Future Interest March 31, 2015	Future Obligation March 31, 2016	Future Obligation March 31, 2015
Within one year	33.53	15.83	1.75	0.77	35.28	16.60
Later than one year and not later than five years	99.05	0.23	30.31	0.03	129.36	0.26
After five year	-	-	-	-	-	-
<b>Total</b>	<b>132.58</b>	<b>16.06</b>	<b>32.06</b>	<b>0.80</b>	<b>164.64</b>	<b>16.86</b>

**11. Non current investments**

₹ in Lacs			
Particulars	No of shares	Face value per share	Cost of investments as at March 31, 2016
<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>
			<b>(2,735.36)</b>

(Note: Previous year figures provided in brackets)

**12. Long term loans and advances**

₹ in Lacs		
Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Security Deposits	108.02	55.21
Capital Advances	1,584.24	1,649.77
Advances to subsidiaries (refer note 32)	17,175.97	17,127.80
Other	15.60	24.38
<b>Total</b>	<b>18,883.83</b>	<b>18,857.16</b>

**13. Inventories**

₹ in Lacs		
Particulars	As at March 31, 2016	As at March 31, 2015
(As certified by management)		
Raw Materials	4,139.51	4,963.98
Work in Progress	213.31	388.93
Stores & Spares	1,083.87	1,072.46
Finished Goods (manufactured goods including marble)	11,730.61	10,401.63
Stock in Trade	914.84	1,677.66
<b>Total</b>	<b>18,082.14</b>	<b>18,504.66</b>



**14. Inventories – Real Estate**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Land at Kanjurmarg	15,000.00	15,000.00
Biz Park at Thane	2,959.09	2,884.24
<b>Total</b>	<b>17,959.09</b>	<b>17,884.24</b>

**15. Trade receivables**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they were due from payment:		
- Considered good	2,452.52	1,630.59
- Considered doubtful	896.77	527.43
Less: Provision for doubtful debts	(543.81)	(390.52)
	<b>2,805.48</b>	<b>1,767.50</b>
Others		
- Considered good	12,630.67	10,408.21
	<b>12,630.67</b>	<b>10,408.21</b>
<b>Total</b>	<b>15,436.15</b>	<b>12,175.71</b>

**16. Cash and bank balances**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Cash and cash equivalents		
Cash on Hand	20.45	5.70
Balances with Banks	1,847.72	1,806.89
	<b>1,868.17</b>	<b>1,812.59</b>
(b) Other bank balances		
Balances with banks for unpaid dividend	1.34	1.63
	<b>1.34</b>	<b>1.63</b>
<b>Total</b>	<b>1,869.51</b>	<b>1,814.22</b>

**17. Short term loans and advances**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Balances with Banks - Held as Margin Money	2,221.16	2,205.95
<b>Others:</b> (Unsecured considered good unless otherwise stated)		
Advances for supply of goods and rendering of services	2,062.11	1,577.28
Prepaid expenses and other receivable	777.10	723.30
Others	59.76	61.03
<b>Total</b>	<b>5,120.13</b>	<b>4,567.56</b>

**18. Other current assets**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Security Deposits	1,663.64	1,818.20
Income Tax Payment (Net)	1,607.49	1,641.75
Balance with Custom, Excise, Service Tax	2,422.04	3,095.15
Other Current Assets	752.59	752.78
<b>Total</b>	<b>6,445.76</b>	<b>7,307.88</b>

**19. Sale of products**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Ceramic Tiles	36,804.60	42,781.43
Vitrified Tiles	31,342.43	33,604.06
Marble	17,014.11	12,979.07
<b>Tiles and related products</b>	<b>85,161.14</b>	<b>89,364.56</b>
Real Estate	-	896.46
<b>Total</b>	<b>85,161.14</b>	<b>90,261.02</b>

**20. Cost of materials consumed**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Body material	3,862.07	4,036.07
Glaze material	2,271.14	2,364.14
Marble blocks/ slabs	11,996.25	9,630.53
Packing material	1,190.28	1,105.84
Real estate	-	724.38
<b>Total</b>	<b>19,319.74</b>	<b>17,860.96</b>

**21. Changes in inventory**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Stock as on April 01, 2015</b>		
Work in progress	388.93	196.09
Finished goods	10,401.63	11,256.51
Stock in trade	1,677.66	4,087.23
	<b>(A)</b>	<b>15,539.83</b>
<b>Stock as on March 31, 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>(B)</b>	<b>12,468.22</b>
	<b>(B-A)</b>	<b>3,071.61</b>

**22. Employees benefit expenses (Refer Note 34)**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	6,646.33	6,624.64
Contributions to Provident and Other Funds	414.34	400.49
Staff Welfare Expenses	161.42	187.73
<b>Total</b>	<b>7,222.09</b>	<b>7,212.86</b>

**23. Finance costs (Refer Note 37)**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense (net)	244.16	3,956.01
Other financial charges	131.86	202.12
Net (gain)/loss on foreign currency transactions and translation	143.08	59.00
<b>Total</b>	<b>519.10</b>	<b>4,217.13</b>

**24. Other expenses**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Other Manufacturing Expenses</b>		
Power and fuel	4,963.21	6,388.94
Consumption of stores and spare parts	2,199.63	1,880.07
	<b>7,162.84</b>	<b>8,269.01</b>
<b>Repairs and Maintenance</b>		
Buildings	35.91	35.18
Machinery	253.79	235.70
Others Repairs & Maintenance	188.32	246.70
	<b>478.02</b>	<b>517.58</b>
<b>Administrative expenses</b>		
Rent Rates and Taxes	1,267.20	1,333.24
Electricity Charges Office & Depot	149.43	125.60
Processing Charges Mosaico/Marble	171.41	156.12
Water Charges	8.80	7.63
Postage and Telephone	165.27	194.16
Printing and Stationery	20.27	27.53
Insurance	231.71	180.13
Legal and Professional Fees	303.88	356.57
Travelling & Conveyance Expenses	867.90	864.29
Audit Fees	28.94	29.12
Hire Charges	237.93	207.32
Security Charges	126.31	118.92
Miscellaneous Expenses	153.66	169.65
	<b>3,732.71</b>	<b>3,770.28</b>
<b>Selling and distribution expenses</b>		
Advertisement & Sales Promotion Expenses	1,378.33	1,614.48
Freight Forwarding & Distribution Expenses	2,410.05	3,736.06
C&F Charges	672.97	818.83
Provision for doubtful debts	173.76	151.20
Bad Debts	179.60	20.48
	<b>4,814.71</b>	<b>6,341.05</b>
<b>Total</b>	<b>16,188.28</b>	<b>18,897.92</b>

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**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, 2016		March 31, 2015	
	₹ in Lacs	%	₹ in Lacs	%
<b>Raw Materials</b>				
Imported	8,671.21	45%	6,249.74	35%
Indigenous	10,648.53	55%	11,611.22	65%
<b>Total</b>	<b>19,319.74</b>	<b>100%</b>	<b>17,860.96</b>	<b>100%</b>
<b>Spares &amp; Components</b>				
Imported	929.06	42%	859.20	46%
Indigenous	1,270.57	58%	1,020.87	54%
<b>Total</b>	<b>2,199.63</b>	<b>100%</b>	<b>1,880.07</b>	<b>100%</b>

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

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
FOB Value of Exports	1,590.18	1,224.21
<b>Total</b>	<b>1,590.18</b>	<b>1,224.21</b>

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

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
Traded goods	969.47	1,182.58
Raw Material	5,914.73	5,849.68
Capital Goods	155.24	63.16
Spare Parts & Components	559.58	395.92
<b>Total</b>	<b>7,599.02</b>	<b>7,491.34</b>

**29. Expenditure in foreign currency for the year ended:**

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
Interest	25.96	38.36
Travel & Lodging	131.16	96.70
<b>Total</b>	<b>157.12</b>	<b>135.06</b>

**30. Payment to auditors for the year ended:**

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
Statutory audit fees	28.94	29.12
<b>Total</b>	<b>28.94</b>	<b>29.12</b>

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

<b>Relationship</b>	<b>Name of the Related Party</b>	
<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
<b>Key Managerial Personnel</b>	Mr. Vivek Talwar	
<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	Alpine Agro And Dairy Farms Private Limited (Date of cessation 23-Mar-15)	Nitco Consultants And Exports Private Limited (Date of cessation 9-Mar-15)
	Anandshree (Bombay) Holding Private Limited	Nitco Exports
	Aqua-Marine Properties Private Limited (Date of cessation 9-Mar-15)	Nitco Paints Private Limited
	Aurella Estates And Investments Private Limited	Nitco Realities Private Limited
	Bambalina Developers Private Limited (Date of cessation 9-Mar-15)	Nitco Sales Corporation (Delhi)
	Brunelle Constructions Private Limited	Nitco Tiles
	Blue-Whale Properties Private Limited	Nitco Tiles Sales Corporation (Bombay)
	Brighton Properties Private Limited (Date of cessation 9-Mar-15)	Norita Investments Private Limited
	Cosmos Realtors Private Limited	Northern India Tiles (Sales) Corporation
	Eden Garden Builders Private Limited (Date of cessation 9-Mar-15)	Opera Properties Private Limited
	Enjoy Builders Private Limited (Date of cessation 9-Mar-15)	Orchid Realtors Private Limited
	Feel Better Housing Private Limited	Prakalp Properties Private Limited (Date of cessation 9-Mar-15)
	Ferocity Properties Private Limited	Quick-Solution Properties Private Limited
	First Life Properties Private Limited	Rang Mandir Builders Private Limited (Date of Cessation 9-Mar-15)
	Geometric Properties LLP (Date of Appointment 10-Jul-15)	Rejoice Realty Private Limited (Date of cessation 9-Mar-15)
	Glamorous Properties Private Limited	Reliant Properties And Realty LLP (Date of Appointment 3-Aug-15)
	Greenarth Properties And Realty LLP (Date of Appointment 10-Aug-15)	Rhythm Real Estates Private Limited
	Hunar Cultivators And Developers Private Limited	Roaring - Lion Properties Private Limited
	Kavivarya Properties Private Limited	Saisha Trading LLP
	Kanushi Properties Private Limited (Date of cessation 1-Apr-15)	Saumya Buildcon Private Limited
	Kshamta Properties Private Limited (Date of cessation 9-Mar-15)	Silver-Sky Real Estates Private Limited
	Lavender Properties Private Limited (Date of cessation 9-Mar-15)	Strongbase Properties Private Limited
	Maharashtra Marble Co.	Tanvish Properties Private Limited (Date of Cessation 9-Mar-15)
	Maryland Realtors Private Limited (Date of Cessation 23-Mar-15)	The Northern India Tiles Corporation (Delhi)
	Maxwealth Properties Private Limited	Ushakiran Builders Private Limited (Date of Cessation 9-Mar-15)
	Meghdoot Properties Private Limited	Vilasini Properties Private Limited
	Melisma Finance And Trading Private Limited	Vihaan Properties Private Limited (Date of Cessation 9-Mar-15)
Merino Realtors Private Limited	Vivek Talwar (HUF)	

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

Particulars	₹ In Lacs		
	Subsidiaries	Key Managerial Personnel	Others
<b>Loans &amp; Advances</b>			
Nitco Realities Private Limited	15,234.10		
	(15,285.93)		
New Vardhman Vitrified Pvt Ltd	1,941.87		
	(1,841.87)		
<b>Deposits</b>			
Eden Garden Builders Pvt. Ltd.			150.00
			(150.00)
Enjoy Builders Pvt. Ltd.			205.00
			(205.00)
Lavender Properties Pvt. Ltd.			150.00
			(150.00)
Prakalp Properties Pvt. Ltd.			145.00
			(145.00)
Rang Mandir Builders Pvt. Ltd.			200.00
			(200.00)
Usha Kiran Builders Pvt. Ltd.			150.00
			(150.00)
<b>Trade &amp; Other Payables</b>			
New Vardhman Vitrified Pvt. Ltd.	3,479.61		
	(2,843.63)		
Eden Garden Builders Pvt. Ltd.			9.33
			(9.74)
Enjoy Builders Pvt. Ltd.			14.32
			(10.90)
Lavender Properties Pvt. Ltd.			11.88
			(9.45)
Prakalp Properties Pvt. Ltd.			10.96
			(8.74)
Rang Mandir Builders Pvt. Ltd.			15.83
			(12.56)
Usha Kiran Builders Pvt. Ltd.			12.01
			(9.69)
Saisha Trading LLP			346.31
			(136.95)

(Note: Previous year figures provided in brackets)

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

Particulars	₹ In Lacs		
	Subsidiaries	Key Managerial Personnel	Others
<b>LOANS</b>			
<b>Net Loans &amp; advances given/(returned)</b>			
Nitco Realities Private Limited	(51.83)		
	(-)		
New Vardhman Vitrified Pvt Ltd	100.00		
	(333.00)		
<b>REVENUE TRANSACTIONS</b>			
<b>Purchase /Material Consumed</b>			
New Vardhman Vitrified Pvt. Ltd.	19,085.41		
	(19,081.14)		

Particulars	Subsidiaries	Key Managerial Personnel	₹ In Lacs
			Others
Saisha Trading LLP			1,194.57 (164.11)
<b>Sale of Assets</b>			
New Vardhman Vitriified Pvt. Ltd.	6.71 (-)		
<b>Payment to Key Managerial Personnel</b>			
Vivek Talwar		51.00 (50.99)	
<b>Rent Paid</b>			
Eden Garden Builders Pvt. Ltd.			3.18 (3.18)
Enjoy Builders Pvt. Ltd.			4.37 (4.37)
Lavender Properties Pvt. Ltd.			3.16 (3.16)
Prakalp Properties Pvt. Ltd.			3.02 (3.02)
Rang Mandir Builders Pvt. Ltd.			4.18 (4.18)
Usha Kiran Builders Pvt. Ltd.			3.16 (3.16)
<b>Rent received</b>			
Saisha Trading LLP			2.73 (-)

(Note: Previous year figures provided in brackets)

### 33. Exceptional items for the year ended:

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
Paid to GAIL India Limited	252.83	-
<b>Related Party Transaction</b>		
<b>Share Investment</b>		
Foshan Nitco Trading Co	-	385.39
Kesinkaya Mermer Madencilik Nakl.	-	3.00
<b>Short term loans and advances</b>		
Kesinkaya Mermer Madencilik Nakl.	-	308.36
<b>Total</b>	<b>252.83</b>	<b>696.75</b>

In the previous financial year, GAIL India Limited had raised a demand of ₹ 1,497.15 Lacs (which was shown under “Contingent Liability”) on the Company towards under drawn quantity of Re-Liquified Natural Gas (RLNG) pertaining to calendar year 2014. This demand was raised under Take or Pay obligation under the long term supply contract for supply of Re-Liquified Natural Gas (RLNG). During the current financial year, GAIL has settled the demand at ₹ 252.83 Lacs and accordingly, the same is classified under Exceptional Items.

The Company had incorporated wholly owned subsidiaries in Turkey for procurement of marble and in China in order to promote export of tiles to third countries. The Company had invested an amount of ₹ 696.75 Lacs in these subsidiaries by way of Equity and Advances. Due to adverse change in the business environment and as per terms of CDR sanction, the Company had closed down these subsidiaries and balance of ₹ 696.75 Lacs had been written off as Exceptional Items during financial year 2014-15.

### 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:

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Employer's Contribution to Provident Fund	282.04	285.62
Employer's contribution to National Pension Fund	37.02	-
Employer's Contribution to Superannuation Fund	9.26	8.46
Employer's Contribution to Gratuity	86.02	101.71

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

Particulars	₹ in Lacs			
	Obligation			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Defined Benefit obligation at beginning of year	609.21	341.39	323.40	378.59
Current Service Cost	66.62	97.51	69.07	162.42
Interest Cost	47.44	25.32	25.18	27.69
Actuarial gain / (loss)	(11.74)	194.82	(16.87)	(180.60)
Benefits paid	(53.71)	(49.83)	(78.96)	(64.70)
Defined Benefit obligation at year end	657.82	609.21	321.82	323.40

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

Particulars	₹ in Lacs	
	Gratuity (Funded)	
	March 31, 2016	March 31, 2015
Fair value of Plan assets at beginning of year	554.33	502.73
Adjustment to opening balance	-	(0.71)
Expected return on plan assets	50.00	45.48
Actuarial gain / (loss)	(6.83)	0.19
Employer contribution	15.12	56.47
Benefits paid	(53.67)	(49.83)
Fair value of Plan assets at year end	558.95	554.32
Actual return on plan assets	43.17	45.67

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

Particulars	₹ in Lacs			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Fair value of Plan assets	558.95	554.32	-	-
Present value of obligation	657.82	609.21	321.82	323.40
Amount recognized in Balance Sheet	98.87	54.89	321.82	323.40

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

Particulars	₹ in Lacs			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current Service Cost	66.61	97.51	69.07	162.42
Interest Cost	47.44	25.32	25.18	27.69
Expected return on Plan assets	(50.00)	(45.48)	-	-
Actuarial (gain) / loss	(4.91)	194.63	(16.87)	(180.59)
<b>Net Cost</b>	<b>59.14</b>	<b>271.98</b>	<b>77.38</b>	<b>9.52</b>



**V) Actuarial Assumptions for the year ended:**

Particulars	₹ in Lacs			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Mortality Table	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Discount rate (per annum)	7.75%	7.77%	7.75%	7.77%
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 of;

- Tiles and other related products
- Real Estate

**A. Business Segment**

Sr. No	Particulars	₹ In Lacs	
		March 31, 2016	March 31, 2015
1	Net sales / Income from operations		
	- Tiles and other related products	77,867.83	81,688.62
	- Real estate	152.78	1,010.78
	<b>Total Revenue</b>	<b>78,020.61</b>	<b>82,699.40</b>
2	Segment results		
	- Tiles and other related products	(5,518.23)	(7,893.78)
	- Real estate	13.52	85.45
	<b>Total Segment Profit Before Interest and Tax</b>	<b>(5,504.71)</b>	<b>(7,808.33)</b>
	Less : Interest and other financial cost	376.02	4,158.13
	Foreign exchange loss/(gain)	143.08	59.00
	Exceptional items	252.83	696.75
	<b>Profit Before Tax</b>	<b>(6,276.64)</b>	<b>(12,722.21)</b>
3	Capital Employed (Segment assets - Segment liabilities)		
	- Tiles and other related products	81,585.08	84,588.03
	- Real estate	35,071.69	35,096.89
	- Unallocated/ Corporate	5,498.98	6,267.23
	<b>Total Capital Employed</b>	<b>1,22,155.75</b>	<b>1,25,952.15</b>

**B. Geographical Segment**

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

Particulars	₹ In Lacs					
	India		Rest of the world		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Segment revenue	76,430.43	81,475.19	1,590.18	1,224.21	78,020.61	82,699.40
Carrying cost of Segment assets	1,42,871.87	1,44,941.60	207.19	110.80	1,43,079.06	1,45,052.40
Addition of fixed assets and tangible assets	654.92	453.37	-	-	654.92	453.37

**36. Contingent Liability**

	₹ in Lacs	
<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Guarantees / Counter Guarantees given by the company / by banks on behalf of company	3,751.85	3,727.09
Letter of credits opened for which the company is contingently liable	-	429.80
Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances )	84.56	11.87
Demands against the company not acknowledged as debts and not provided for against which the company is in appeal:		
Excise Duty	2,006.65	1,924.36
Custom Duty	751.57	1,574.33
Penalty levied by DGFT, Delhi	16,980.00	-
Sales Tax	1,196.46	1,333.17
Income tax	64.36	38.46
Others	111.52	93.39
Gail (India) Limited	-	1,497.15

- (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) The Directorate of Revenue Intelligence(DRI) based on its investigations carried out in 2009, had issued a show cause notice in June 2011 claiming Anti Dumping duty of ₹ 329 crores on vitrified tiles imported during the period 2006 until 2009. The Designated Authority(DA), Anti Dumping in the Ministry of Commerce is the sole authority for recommending levy of anti-dumping duty. The DA based on its findings had exempted seven producers of tiles from China whose exports to India did not attract anti dumping duty during the relevant period. The Company had imported vitrified tiles from two such producers during the relevant period. DRI had alleged that some of these goods imported were not produced by the Companies which were so exempted and were produced by non exempted producers. Such a practice is known as circumvention of antidumping duty. In terms of Section 9A(1A) of the Customs Tariff Act, 1975 and Rules 25(3) and 26 of the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the DA is required to conduct an investigation and recommend application of antidumping duty in such cases. On legal advice, the Company has replied to the Show Cause Notice stating that the duty demand is bad in law on various factual and legal grounds. As on date no order has been passed by the Adjudicating Authority. Accordingly, the show cause notice has not been classified as a contingent liability.

**37. Corporate Debt Restructuring**

The Company's business model until FY 2012, 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 6th March 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 crores fund based and ₹ 147 crores non fund based facility. The package also envisaged disposal of non core assets of ₹ 555 crores 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. Thirteen Lenders aggregating approximately 86% of overall CDR debts of the Company have assigned their debts to an Asset Reconstruction Company (ARC). Since the net worth of the Company has been fully eroded, a reference filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) has been duly registered with BIFR vide their letter dated May 12, 2015. In view of the above position 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 would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore), Losses for the year would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore), corresponding bank liability would have increased by ₹ 196.95 crore (previous year ₹ 107.40) and net worth of the Company would have been lower by ₹ 196.95 crore (previous year ₹ 107.40).

- 38.** In accordance with the requirement of Schedule II to Companies Act 2013, the Company had reassessed the estimated useful life of fixed assets w.e.f April 01, 2014 and depreciation is provided on the basis of useful lives as prescribed in Schedule II. This had resulted in the depreciation expenses for the year ended March 31, 2015 higher by ₹ 2,213.28 Lacs. Depreciation of ₹ 509.72 Lacs on account of assets whose useful life was already exhausted as on April 01, 2014, had been adjusted in Reserves as on April 01, 2014.
- 39.** Previous year's figures have been regrouped / restated / reclassified / rearranged wherever necessary to make them comparable with those of the current year.

# 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, together referred to as "the Group", which comprises of the consolidated Balance Sheet as at March 31, 2016, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 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 8 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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, 2016, 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 on the basis of the application filed u/s 15(1) of the Sick Industrial Companies (Special Provision) Act 1985 and duly registered, before the Hon'ble Board for Industrial & Financial Reconstructions, has not provided for interest on financing facilities amount to ₹ 196.95 crore (previous year ₹ 107.40 crore) for the year ended March 31, 2016 in view of uncertainties on the ultimate outflow. Had the interest as per Loan Agreements been provided for, the interest for year ended would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore) respectively, Losses for year ended would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore) respectively, corresponding bank liability would have increased by ₹ 196.95 crore (previous year ₹ 107.40 crore) and net worth would have been lower by ₹ 196.95 crore (previous year ₹ 107.40 crore) as on March 31, 2016.**

**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 ₹ 6,276.64 Lacs (previous year ₹ 12,722.21 Lacs) during the year ended March 31, 2016 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. 33 to the consolidated financial statements relating to Corporate Debt Restructuring (CDR) package approved by the CDR Empowered Group.
- c) The dues to banks / lenders are subject to reconciliation.

**OTHER MATTERS**

10. (a) The accounts of the Company for the year ended March 31, 2016 include assets aggregating ₹ 36,536.63 Lacs, liabilities aggregating ₹ 31,335.91 Lacs, income aggregating ₹ 17,013.09 Lacs and expenses ₹ 16,515.99 Lacs whose financial statements / financial information have not been audited by us. 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, is based solely on the reports of the other auditors.
- (b) The accounts of the Company for the year ended March 31, 2016 include assets aggregating ₹ 6.16 Lacs, liabilities aggregating ₹ 0.43 Lacs, income aggregating ₹ Nil and expenses ₹ Nil whose financial statements / financial information have not been audited by us. This financial statement is unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements 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 purpose 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act referred read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 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, 2016 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, 2016 on the consolidated financial position of the Group – Refer Note 32 to the consolidated financial statements.
  - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts as at March 31, 2016 as it appears from our examination of the 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 paragraphs 9 & 10 above).
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2016 as it appears from our examination of the 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 paragraphs 9 and 10 above).

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

Chartered Accountants

Firm Registration No. 107173W

**(A. Husein Noumanali)**

**Proprietor**

M. No. 14757

Mumbai, May 30, 2016

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# 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, 2016

## 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, 2016, 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.

**Opinion**

8. In our opinion, the Holding Company and its subsidiary companies, 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, 2016, 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 as it appears from our examination of the 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.

**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 the audited - subsidiary companies, is based on the corresponding reports of the other auditors and insofar as it relates to the unaudited financial of one subsidiary company, is based on representation received from the management (also refer para 10 of the Independent Auditors' Report above). 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**

M. No. 14757

Mumbai, May 30, 2016

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# Consolidated Balance Sheet

as at March 31, 2016

Particulars	Note	₹ in Lacs	
		As at March 31, 2016	As at March 31, 2015
<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	(15,273.13)	(9,226.23)
<b>Total Shareholders' Funds</b>		<b>(9,803.20)</b>	<b>(3,756.30)</b>
<b>2 Minority Interest</b>		1,917.38	1,732.51
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	66,137.31	79,211.59
(b) Deferred tax liabilities (Net)		2,766.23	2,749.36
(c) Other Long term liabilities	4	135.17	121.52
(d) Long-term provisions	5	236.09	231.54
<b>Total Non-Current Liabilities</b>		<b>69,274.80</b>	<b>82,314.01</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	13,020.47	9,477.08
(b) Trade payables	7	18,233.33	16,595.29
(c) Other current liabilities	8	60,171.13	48,387.73
(d) Short-term provisions	9	295.30	245.12
<b>Total Current Liabilities</b>		<b>91,720.23</b>	<b>74,705.22</b>
<b>TOTAL - Equity and Liabilities</b>		<b>153,109.21</b>	<b>154,995.44</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		66,238.99	70,910.69
(ii) Capital work-in-progress		296.48	640.96
(iii) Intangible assets		323.73	323.70
<b>Total Fixed Assets</b>		<b>66,859.20</b>	<b>71,875.35</b>
(b) Non-current investments	12	25.00	25.00
(c) Long-term loans and advances	13	5,607.15	5,638.97
<b>Other Non-Current Assets</b>		<b>5,632.15</b>	<b>5,663.97</b>
<b>2 Current Assets</b>			
(a) Current investments	14	0.15	0.15
(b) Inventories	15	19,949.49	19,989.05
(c) Inventories - Real Estate	16	29,966.32	29,890.61
(d) Trade receivables	17	15,676.82	12,474.89
(e) Cash and bank balances	18	2,459.33	2,472.83
(f) Short-term loans and advances	19	6,102.39	4,828.13
(g) Other current assets	20	6,463.36	7,800.46
<b>Total Current Assets</b>		<b>80,617.86</b>	<b>77,456.12</b>
<b>TOTAL - Assets</b>		<b>153,109.21</b>	<b>154,995.44</b>

As per our Report of even date

For and on behalf of the Board of Directors of NITCO Limited

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, 2016

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

₹ in Lacs			
Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>I. Revenue From Operations</b>			
Sale of products	21	86,111.52	91,431.46
Less: Excise Duty		3,379.16	3,228.12
Less: Sales Tax		4,288.31	4,760.58
<b>Net sales of products</b>		<b>78,444.05</b>	<b>83,442.76</b>
Other operating revenues		425.58	299.96
<b>Net Sales</b>		<b>78,869.63</b>	<b>83,742.72</b>
<b>II. Other income</b>		150.10	199.82
<b>III. Total Revenue (I + II)</b>		<b>79,019.73</b>	<b>83,942.54</b>
<b>IV. Expenses</b>			
Cost of materials consumed	22	27,390.02	24,041.04
Purchases of Stock-in-Trade		19,972.76	21,344.51
Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	23	(921.32)	3,346.79
Employee benefits expense	24	7,766.39	7,424.97
Finance costs	25	1,207.18	5,030.82
Depreciation and amortization expense		6,254.14	6,977.58
Other expenses	26	22,810.23	27,368.29
<b>Total Expenses</b>		<b>84,479.40</b>	<b>95,534.00</b>
<b>V. Loss before exceptional items and tax (III-IV)</b>		<b>(5,459.67)</b>	<b>(11,591.46)</b>
VI. Exceptional items	30	252.83	-
<b>VII. Loss before tax (V - VI)</b>		<b>(5,712.50)</b>	<b>(11,591.46)</b>
<b>VIII Tax expense</b>			
(1) Current tax		103.54	93.49
(2) Deferred tax		16.87	136.88
<b>IX. Loss for the period from continuing operations (VII-VIII)</b>		<b>(5,832.91)</b>	<b>(11,821.83)</b>
X Share of Profit/Loss transferred to Minority Interest		184.86	110.97
<b>XI Loss for the period (IX - X)</b>		<b>(6,017.77)</b>	<b>(11,932.80)</b>
Earnings per equity share			
(1) Basic		(11.00)	(21.82)
(2) Diluted		(11.00)	(21.82)

As per our Report of even date

For and on behalf of the Board of Directors of NITCO Limited

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, 2016

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Cash flow from operating activities</b>		
Profit Before Tax	(5,712.50)	(11,591.46)
Adjustments for:		
Depreciation and amortisation expense (net)	6,254.14	6,977.58
Appreciation / (depreciation) in value of investment	-	4.70
(Profit) / loss on sale / write off of assets (net)	11.91	5.24
Other Income	(150.10)	(199.82)
Bad debts written off (net)	179.60	20.48
Provision for doubtful debts	173.76	151.20
Finance costs (net)	1,064.10	4,971.88
Net unrealised exchange (gain) / loss	143.08	58.94
	7,676.49	11,990.20
Operating Profit Before Working Capital Changes	1,963.99	398.74
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(36.15)	2,934.68
Trade receivables	(3,555.29)	320.50
Loans and advances	(1,260.60)	(471.78)
Other current assets	1,298.38	130.36
Margin Money held with Bank	(13.66)	722.40
Other non-current assets	31.82	180.16
	(3,535.50)	3,816.32
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables and Other current liabilities	2,475.72	1,253.57
Other non-current liabilities	35.07	(4,057.53)
	2,510.79	(2,803.96)
	(1,024.71)	1,012.36
Cash Generated From Operations	939.28	1,411.10
Direct Taxes Paid (net of refund of taxes)	(81.69)	(289.14)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>857.59</b>	<b>1,121.96</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)	(1,249.90)	(224.05)
Other Income	150.10	199.82
Current / Non-current Investments	-	6.65
	(1,099.80)	(17.58)
<b>Net Cash Flow Used In Investing Activities (B)</b>	<b>(1,099.80)</b>	<b>(17.58)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>C. Cash flow from financing activities</b>		
Net increase / (decrease) in Minority Interest	184.87	110.96
Net increase / (decrease) in reserve on Consolidation	(213.99)	(441.39)
Net increase / (decrease) in other than short-term borrowings	(2,078.38)	660.23
Net increase / (decrease) in short-term borrowings	3,543.39	3,187.09
Finance costs (Net)	(1,064.10)	(4,971.88)
	371.79	(1,454.99)
<b>Net Cash Flow From / (Used In) Financing Activities (C)</b>	<b>371.79</b>	<b>(1,454.99)</b>
<b>Net Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>129.58</b>	<b>(350.61)</b>
Cash and cash equivalents at the beginning of the year	2,472.83	2,882.38
Effect of exchange differences on restatement of foreign currency	(143.08)	(58.94)
<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>2,459.33</b>	<b>2,472.83</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)]	2,459.33	2,472.83
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	42.51	22.80
(b) In current accounts	2,415.48	2,448.40
(c) In earmarked accounts - Unpaid dividend accounts	1.34	1.63
	2,459.33	2,472.83
(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 of NITCO Limited

**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, 2016

**Ashok Kumar Goyal**  
Chief Executive Officer

**Bhaskar Borkar**  
Chief Financial Officer

**Puneet Motwani**  
Company Secretary

**I. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.****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 to real estate projects.

**A. Basis of Preparation of Consolidated 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 is 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 Company managed to reduce its EBITDA losses 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 a 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. 33.

**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:

- i. 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, 2016.
- ii. 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.
- iii. 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.
- iv. 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**

<b>Name of the Subsidiary Company</b>	<b>Country of Incorporation</b>	<b>% of ownership as on 31.3.2016</b>	<b>% of ownership as on 31.3.2015</b>
<b>Subsidiaries</b>			
Nitco Realities Private Limited	India	100%	100%
Nitco Holdings HK Company Limited	Hong Kong	100%	100%
New Vardhman Vitriified 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%
Silver-Sky Real Estates Private Limited	India	100%	100%
Opera Properties 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 ₹ in Lacs	As a % of consolidated Profit	Amount ₹ in Lacs
<b>Parent</b>				
Nitco Limited	103.94%	(10,189.26)	107.61%	(6,276.64)
<b>Subsidiary</b>				
<b>Indian</b>				
Nitco Realities Pvt. Ltd.	(10.13%)	896.73	0.01%	(0.48)
New Vardhman Vitriified Pvt. Ltd.	(40.83%)	4,003.13	(6.47%)	377.21
<b>Foreign</b>				
Nitco Holding HK Company Ltd.	(0.06%)	5.73	0.02%	(1.15)
<b>Sub Total</b>	<b>52.92%</b>	<b>(5,283.67)</b>	<b>101.17%</b>	<b>(5,901.06)</b>
Inter-company Elimination & Consolidation Adjustments	47.08%	(4,519.53)	(1.17%)	68.15
<b>Grand Total</b>	<b>100.00%</b>	<b>(9,803.20)</b>	<b>100.00%</b>	<b>(5,832.91)</b>
Minority Interest in Subsidiaries		1,917.38		184.86

**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, sales taxes and excise duties (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.

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 01, 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 built of the assets/ rates of depreciation are estimated as follows:

<b>Class of assets</b>	<b>Basis</b>	<b>Useful life/ rate of depreciation</b>
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**

- a) Stores and Spares - at moving weighted average basis.
- b) Raw Materials - at moving weighted average basis.
- c) Work-in-Progress - at estimated cost.
- d) Finished Goods - at lower of cost or estimated realisable value.
- e) Stock in trade - at moving weighted average basis or estimated realisable value.
- f) 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 (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 borrowing 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.

**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/VAT 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, 2016

### 1. Share capital

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<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 March 31, 2016	As at March 31, 2015
	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, 2016	No. of Shares	% held as at March 31, 2015
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

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Capital Reserve</b>		
As per last year balance sheet	325.61	570.26
(+) /(-) Created on consolidation	0.07	(106.89)
(+) /(-) Contra with Profit and Loss Account	-	(137.76)
<b>Closing Balance</b>	<b>325.68</b>	<b>325.61</b>
<b>Capital Redemption Reserve</b>		
As per last year balance sheet	966.00	966.00
<b>Closing balance</b>	<b>966.00</b>	<b>966.00</b>
<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	4,360.07
(+) Adjustment of depreciation (refer to Note 34)	-	(513.16)
<b>Closing balance</b>	<b>3,846.91</b>	<b>3,846.91</b>
<b>Foreign Currency Translation Reserve</b>		
<b>Closing Balance</b>	<b>(0.01)</b>	<b>3.81</b>
<b>Balance in Profit &amp; Loss Account</b>		
Opening balance	(49,840.03)	(37,767.96)
(+) Net (Loss) For the current year	(6,017.77)	(11,932.80)
(-) Contra with Capital Reserve	-	139.27
(-) Adjustments	(25.38)	-
<b>Closing Balance</b>	<b>(55,883.18)</b>	<b>(49,840.03)</b>
<b>Total</b>	<b>(15,273.13)</b>	<b>(9,226.23)</b>

## 3. Long term borrowings

### 3.1. Long-Term Borrowings

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Term Loans - from banks/ financial institutions	10,707.11	76,624.40
Term Loans - from other parties	55,272.37	2,534.80
Long term maturities of finance lease	157.83	52.39
<b>Total</b>	<b>66,137.31</b>	<b>79,211.59</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, 2016	Shown under "Long Term Borrowings" as on March 31, 2016	Current maturities of long term debt included in "Other Current liabilities" as at March 31, 2016	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	40,232.09	24,199.68	16,032.41	11.25%	32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	15,774.99	7,786.96	7,988.03	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	44,918.96	22,387.18	22,531.78	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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	7,445.38	7,619.39	10.75%	24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package	First pari passu 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>115,990.81</b>	<b>61,819.20</b>	<b>54,171.61</b>			
<b>Secured Term loans from banks &amp; financial institution not covered under Corporate Debt Restructuring package</b>						
Term loan from others	619.29	230.28	389.01	3M LIBOR plus 2.60%	12 structured quarterly installments commencing from March 31, 2015	First pari passu charge on Silvassa Plant and guaranteed by promoter.
Term loan from others	941.50	769.21	172.29	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	947.50	775.19	172.31	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	132.58	132.58	-	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>2,640.87</b>	<b>1,907.26</b>	<b>733.61</b>			

		₹ in Lacs				
Type	Total Long Term Debt of the Company as on March 31, 2016	Shown under "Long Term Borrowings" as on March 31, 2016	Current maturities of long term debt included in "Other Current liabilities" as at March 31, 2016	Interest rate % as at year end	Repayment schedule	Nature of security
<b>Secured Term loans from bank availed by Subsidiary Company not covered under Corporate Debt Restructuring package</b>						
Term loan from bank	2,745.20	1,695.20	1,050.00	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	25.25	25.25	-	12% to 16%	Equated monthly installments per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying company owned vehicles.
<b>Total</b>	<b>2,770.45</b>	<b>1,720.45</b>	<b>1,050.00</b>			
<b>Unsecured Long term loan by Subsidiary Company</b>						
From Others	690.40	690.40	-	-	Payable on demand after 3 years	Unsecured
<b>Total</b>	<b>690.40</b>	<b>690.40</b>	<b>-</b>			
<b>Grand Total</b>	<b>122,092.53</b>	<b>66,137.31</b>	<b>55,955.22</b>			
<b>Total</b>						

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

**4. Other long term liabilities**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Others Liabilities	135.17	121.52
<b>Total</b>	<b>135.17</b>	<b>121.52</b>

**5. Long term provisions**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	236.09	231.54
<b>Total</b>	<b>236.09</b>	<b>231.54</b>

**6. Short term borrowings (refer to note 33)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Loan Repayable on Demand		
<b>Secured</b>		
<b>From Banks</b>		
- Cash Credit – the Company*	11,442.40	8,180.57
- Cash Credit – Subsidiary company	1,578.07	1,296.51
<b>Total</b>	<b>13,020.47</b>	<b>9,477.08</b>

\* [Above figures includes LC devolvement of ₹ 5,261.34 Lacs (previous year ₹ 2,052.56 Lacs)]

- i. 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.
- ii. No provision has been made for unpaid interest to CDR lenders.
- iii. 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**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises	2,434.85	1,209.81
Other	15,798.48	15,385.48
<b>Total</b>	<b>18,233.33</b>	<b>16,595.29</b>

**8. Other current liabilities**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Current Maturity of Long Term Debt *	55,955.22	44,959.32
Unpaid Dividends	1.34	1.63
Amount payable to capital creditors	993.01	1,106.81
Provision for expenses	635.92	659.68
Deposit received	1,179.87	1,085.88
Advance from customers	11.88	14.21
Statutory dues payable	167.20	5.84
Other payables	1,226.69	554.36
<b>Total</b>	<b>60,171.13</b>	<b>48,387.73</b>

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

**9. Short term provisions**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	85.73	91.86
Provision for Gratuity	98.86	54.89
Others	110.71	98.37
<b>Total</b>	<b>295.30</b>	<b>245.12</b>

## 10. Fixed assets

Description of Assets	Gross Block				Depreciation			Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions	As at 31.03.2016	As at 31.03.2015
Freehold Land	5,913.07	32.00	-	5,945.07	-	-	-	5,945.07	5,913.07
Buildings	21,035.83	254.38	480.25	20,809.96	5,508.43	1,477.88	480.25	14,303.90	15,527.40
Office Equipment	2,152.95	62.41	639.32	1,576.04	1,788.05	184.20	636.54	240.33	364.90
Plant & Machinery	64,514.59	1,044.15	244.18	65,314.56	19,319.13	3,953.65	244.18	42,285.96	45,195.46
Electrical Installations	1,123.91	-	82.47	1,041.44	733.47	101.45	82.47	288.99	390.44
Furniture & Fixtures	2,898.21	3.07	396.17	2,505.11	1,704.02	324.82	396.17	872.44	1,194.19
Windmill	3,680.54	-	-	3,680.54	1,738.35	151.36	-	1,889.71	1,942.19
Livestock	100.14	4.47	-	104.61	-	-	-	104.61	100.14
<b>Total Owned Assets (Current Year)</b>	<b>101,419.24</b>	<b>1,400.48</b>	<b>1,842.39</b>	<b>100,977.33</b>	<b>30,791.45</b>	<b>6,193.36</b>	<b>1,839.61</b>	<b>65,832.13</b>	<b>70,627.79</b>
<b>Previous year</b>	<b>100,957.36</b>	<b>712.37</b>	<b>250.49</b>	<b>101,419.24</b>	<b>23,557.93</b>	<b>7,286.24</b>	<b>52.72</b>	<b>30,791.45</b>	<b>77,399.43</b>
Leasehold Land	145.66	-	-	145.66	3.01	3.01	-	139.64	142.65
Motor Vehicles	782.53	197.63	72.47	907.69	642.28	57.77	59.58	267.22	140.25
<b>Total Leasehold Assets (Current Year)</b>	<b>928.19</b>	<b>197.63</b>	<b>72.47</b>	<b>1,053.35</b>	<b>645.29</b>	<b>60.78</b>	<b>59.58</b>	<b>406.86</b>	<b>282.90</b>
<b>Previous year</b>	<b>922.84</b>	<b>29.71</b>	<b>24.36</b>	<b>928.19</b>	<b>462.42</b>	<b>206.01</b>	<b>23.14</b>	<b>282.90</b>	<b>460.42</b>
Goodwill	323.70	0.03	-	323.73	-	-	-	323.73	323.70
<b>Total Goodwill (Current Year)</b>	<b>323.70</b>	<b>0.03</b>	<b>-</b>	<b>323.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323.73</b>	<b>323.70</b>
<b>Previous Year</b>	<b>323.63</b>	<b>0.07</b>	<b>-</b>	<b>323.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323.70</b>	<b>323.63</b>
<b>Total Assets (Current Year)</b>	<b>102,671.13</b>	<b>1,598.14</b>	<b>1,914.86</b>	<b>102,354.41</b>	<b>31,436.74</b>	<b>6,254.14</b>	<b>1,899.19</b>	<b>66,562.72</b>	<b>71,234.39</b>
<b>Total Assets (Previous year)</b>	<b>102,203.83</b>	<b>742.15</b>	<b>274.85</b>	<b>102,671.13</b>	<b>24,020.35</b>	<b>7,492.25</b>	<b>75.86</b>	<b>31,436.74</b>	<b>78,183.48</b>
<b>Capital work-in-progress</b>								<b>296.48</b>	<b>640.96</b>

(Please refer to Note no 34)

**11. Vehicles taken on finance lease**

Future obligations towards lease rentals under the lease agreements as on March 31, 2016 is as under:

Particulars	₹ in Lacs					
	As at March 31, 2016	As at March 31, 2015	Future Interest March 31, 2016	Future Interest March 31, 2015	Future Obligation March 31, 2016	Future Obligation March 31, 2015
Within one year	45.64	36.95	3.87	14.33	49.51	51.28
Later than one year and not later than five years	112.19	15.44	31.61	6.43	143.80	21.87
After five years	-	-	-	-	-	-
<b>Total</b>	<b>157.83</b>	<b>52.39</b>	<b>35.48</b>	<b>20.76</b>	<b>193.31</b>	<b>73.15</b>

**12. Non current investments**

Particulars	₹ in Lacs		
	No of shares	Face value per share	Cost of investments as at March 31, 2016
<b>Investment in subsidiaries (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**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Security Deposits	163.33	55.83
Capital Advances	1,584.24	1,649.77
Advances to related parties (refer note 29)	965.50	965.50
Other	2,894.08	2,967.87
<b>Total</b>	<b>5,607.15</b>	<b>5,638.97</b>

**14. Current investments**

Particulars	₹ in Lacs	
	Market value As at March 31, 2016	Market value As at March 31, 2015
Government Securities	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

**15. Inventories**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(As certified by management)		
Raw Materials	4,368.33	5,408.50
Work in Progress	243.10	418.71
Stores & Spares	1,105.38	1,132.46
Finished Goods (manufactured goods including marble)	13,108.37	11,248.62
Stock in Trade	914.84	1,677.66
Goods in Transit	209.47	103.10
<b>Total</b>	<b>19,949.49</b>	<b>19,989.05</b>

**16. Inventories – Real Estate**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Land at Kanjurmarg	15,000.00	15,000.00
Biz Park at Thane	2,959.09	2,884.24
Work-in-progress	45.03	44.92
Others	11,962.20	11,961.45
<b>Total</b>	<b>29,966.32</b>	<b>29,890.61</b>

**17. Trade receivables**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they were due for payment:		
- Considered good	2,535.11	1,726.83
- Considered doubtful	896.77	527.43
Less: Provision for doubtful debts	(543.81)	(390.52)
	<b>2,888.07</b>	<b>1,863.74</b>
Others		
- Considered good	12,788.75	10,611.15
	<b>12,788.75</b>	<b>10,611.15</b>
<b>Total</b>	<b>15,676.82</b>	<b>12,474.89</b>

**18. Cash and bank balances**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Cash and cash equivalents		
Cash on Hand	42.51	22.80
Balances with Banks	2,415.48	2,448.40
	<b>2,457.99</b>	<b>2,471.20</b>
(b) Other bank balances		
Balances with banks for unpaid dividend	1.34	1.63
	<b>1.34</b>	<b>1.63</b>
<b>Total</b>	<b>2,459.33</b>	<b>2,472.83</b>

**19. Short term loans and advances**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Balances with Banks - Held as Margin Money	2,221.64	2,207.98
<b>Others:</b> (Unsecured considered good unless otherwise stated)		
Advances for supply of goods and rendering of services	2,240.69	1,828.49
Prepaid expenses and other receivable	1,578.15	729.81
Others	61.91	61.85
<b>Total</b>	<b>6,102.39</b>	<b>4,828.13</b>

**20. Other current assets**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless otherwise stated)		
Security Deposits	1,663.70	1,818.21
Income Tax Payment (Net)	1,618.31	1,657.03
Balance with Custom, Excise, Service Tax	2,422.04	3,572.44
Other Current Assets	759.31	752.78
<b>Total</b>	<b>6,463.36</b>	<b>7,800.46</b>



**21. Sale of products**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Ceramic Tiles	36,804.60	42,781.43
Vitrified Tiles	32,097.15	34,589.46
Marble	17,014.11	12,979.07
<b>Tiles and related products</b>	<b>85,915.86</b>	<b>90,349.96</b>
Real Estate	-	896.46
Others	195.66	185.04
<b>Total</b>	<b>86,111.52</b>	<b>91,431.46</b>

**22. Cost of materials consumed**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Body material	7,744.97	7,036.81
Glaze material	5,425.43	4,594.34
Marble blocks/ slabs	11,996.25	9,630.53
Packing material	2,035.45	1,890.70
Real Estate	-	724.38
Others	187.92	164.28
<b>Total</b>	<b>27,390.02</b>	<b>24,041.04</b>

**23. Changes in inventories**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Stock as on April 01, 2015</b>		
Work in progress	418.71	345.05
Finished goods	11,248.62	12,259.50
Stock in trade	1,677.66	4,087.23
	<b>(A) 13,344.99</b>	<b>16,691.78</b>
<b>Stock as on March 31, 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>(B) 14,266.31</b>	<b>13,344.99</b>
	<b>(B-A) (921.32)</b>	<b>3,346.79</b>

**24. Employee benefits expense**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	7,149.43	6,828.46
Contributions to Provident and Other Funds	419.41	406.64
Staff Welfare Expenses	197.55	189.87
<b>Total</b>	<b>7,766.39</b>	<b>7,424.97</b>

**25. Finance costs (Refer Note 33)**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	905.46	4,745.00
Other borrowing costs	-	1.50
Other Financial Charges	158.64	225.38
Net (gain)/loss on foreign currency transactions and translation	143.08	58.94
<b>Total</b>	<b>1,207.18</b>	<b>5,030.82</b>

**26. Other expenses**

Particulars	₹ in Lacs	
	Year ended March 31, 2016	Year ended March 31, 2015
<b>Other Manufacturing Expenses</b>		
Power and fuel	9,356.59	13,577.21
Consumption of stores and spare parts	4,031.81	2,950.82
	<b>13,388.40</b>	<b>16,528.03</b>
<b>Repairs and Maintenance</b>		
Buildings	35.91	35.18
Machinery	426.11	268.95
Others Repairs & Maintenance	261.48	308.34
	<b>723.50</b>	<b>612.47</b>
<b>Administrative expenses</b>		
Rent Rates and Taxes	1,325.16	1,347.46
Electricity Charges Office & Depot	154.51	136.49
Processing Charges Mosaico/Marble	171.41	156.12
Water Charges	8.80	7.63
Postage and Telephone	171.28	199.48
Printing and Stationery	28.87	36.10
Insurance (net)	241.77	191.22
Legal and Professional Fees	335.04	386.92
Travelling & Conveyance Expenses	870.25	874.48
Audit Fees	32.19	32.43
Hire Charges	237.93	207.32
Security Charges	126.31	118.92
Miscellaneous Expenses	171.93	179.33
	<b>3,875.45</b>	<b>3,873.90</b>
<b>Selling and distribution expenses</b>		
Advertisement & Sales Promotion Expenses	1,386.50	1,614.48
Freight Forwarding & Distribution Expenses	2,410.05	3,748.90
C&F Charges	672.97	818.83
Provision for doubtful debts	173.76	151.20
Bad Debts	179.60	20.48
	<b>4,822.88</b>	<b>6,353.89</b>
<b>Total</b>	<b>22,810.23</b>	<b>27,368.29</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**

<b>Relationship</b>	<b>Name of the Related Party</b>	
<b>Key Managerial Personnel</b>	Mr. Vivek Talwar, Mr Rajubhai Likhya and Mr. Viten Kavar	
<b>Enterprises/Individuals over which Key Managerial Personnel are able to exercise significant influence</b>	Alpine Agro And Dairy Farms Private Limited	Nitco Exports
	(Date Of cessation 23-Mar-15)	
	Anandshree (Bombay) Holding Private Limited	Nayna Pravinbhai Mehta
	Aqua-Marine Properties Private Limited (Date Of cessation 9-Mar-15)	Nitco Paints Private Limited
	Aurella Estates And Investments Private Limited	Nitco Realities Private Limited
	Bambalina Developers Private Limited (Date Of cessation 9-Mar-15)	Nitco Sales Corporation (Delhi)
	Brunelle Constructions Private Limited	Nitco Tiles
	Blue-Whale Properties Private Limited	Nitco Tiles Sales Corporation (Bombay)
	Brighton Properties Private Limited (Date Of cessation 9-Mar-15)	Norita Investments Private Limited
	Cosmos Realtors Private Limited	Northern India Tiles (Sales) Corporation
	Eden Garden Builders Private Limited (Date Of cessation 9-Mar-15)	Opera Properties Private Limited
	Enjoy Builders Private Limited (Date Of cessation 9-Mar-15)	Orchid Realtors Private Limited
	Feel Better Housing Private Limited	Prakalp Properties Private Limited (Date Of cessation 9-Mar-15)
	Ferocity Properties Private Limited	Quick-Solution Properties Private Limited
	First Life Properties Private Limited	Rang Mandir Builders Private Limited (Date Of Cessation 9-Mar-15)
	Geometric Properties LLP (Date Of Appointment 10-Jul-15)	Rejoice Realty Private Limited (Date Of cessation 9-Mar-15)
	Glamorous Properties Private Limited	Reliant Properties And Realty LLP (Date Of Appointment 3-Aug-15)
	Greenarth Properties And Realty LLP (Date Of Appointment 10-Aug-15)	Rhythm Real Estates Private Limited
	Hunar Cultivators And Developers Private Limited	Roaring - Lion Properties Private Limited
	Kavivarya Properties Private Limited	Saisha Trading LLP
	Kanushi Properties Private Limited (Date Of cessation 1-Apr-15)	Saumya Buildcon Private Limited
	Kshamta Properties Private Limited (Date Of cessation 9-Mar-15)	Silver-Sky Real Estates Private Limited
	Lavender Properties Private Limited (Date Of cessation 9-Mar-15)	Strength Properties Private Limited
	Maharashtra Marble Co.	Strongbase Properties Private Limited
	Maryland Realtors Private Limited (Date Of Cessation 23-Mar-15)	Tanvish Properties Private Limited (Date Of Cessation 9-Mar-15)
	Maxwealth Properties Private Limited	The Northern India Tiles Corporation (Delhi)
	Meghdoot Properties Private Limited	Ushakiran Builders Private Limited (Date Of Cessation 9-Mar-15)
	Melisma Finance And Trading Private Limited	Vihaan Properties Private Limited (Date Of Cessation 9-Mar-15)
	Merino Realtors Private Limited	Vilasini Properties Private Limited
	Nitco Consultants And Exports Private Limited (Date Of cessation 9-Mar-15)	Vivek Talwar (HUF)
Abhishek Sureshbhai Mehta	Meenaben C. Gandhi	
Ashvinbhai Raghavjibhai Jivani	Payal Vishal Gandhi	
Dhirubhai Bhurabhai Boda	Pravinchandra Sevantilal Sheth – HUF	
Hardik Rajeshbhai Likhya	Rajesh S.Shah	
Hina Yogesh Gandhi	Rajeshbhai Likhya	
Jayesh Mavjibhai Chaniyra	Rameshbhai Babulal Bhadja	
Karan Pravinbhai Shah	Ratilal Chhaganbhai Patel	
Khushbuben Rameshbhai Derasariya	Sadhna Sureshbhai Mehta	
Manishbhai S. Shah	Utsav V Mehta	
KPM Realty Private Limited		

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**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>			
	Abhishek Sureshbhai Mehta	-	-21.50	-
		-	-	-
	Ashvinbhai Raghavjibhai Jivani	-	-13.00	-
		-	(-13.00)	-
	Dhirubhai Bhurabhai Boda	-	-2.00	-
		-	(-2.00)	-
	Hardik Rajeshbhai Likhiya	-	-12.50	-
		-	(-12.50)	-
	Hina Yogesh Gandhi	-	-68.13	-
		-	(-68.13)	-
	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	-
		-	(-25.00)	-
	Meenaben C. Gandhi	-	-83.25	-
		-	(-83.25)	-
	Nayna Pravinbhai Mehta	-	-14.50	-
		-	-	-
	Payal Vishal Gandhi	-	-21.17	-
		-	(-21.17)	-
	Pravinchandra Sevantilal Sheth - HUF	-	-16.29	-
		-	(-16.29)	-
	Rajesh S.Shah	-	-21.17	-
		-	(-21.17)	-
	Rajeshbhai Likhiya	-	-	-
		-	(-19.50)	-
	Rameshbhai Babulal Bhadja	-	-10.75	-
		-	(-10.75)	-
	Ratilal Chhaganbhai Patel	-	-7.47	-
		-	(-7.47)	-
	Sadhna Sureshbhai Mehta	-	-27.00	-
		-	-	-
	Utsav V Mehta	-	-7.00	-
		-	-	-
	JM Township & Real Estate Pvt. Ltd.	-	-	965.50
		-	-	(965.50)
<b>2</b>	<b>Deposits</b>			
	Eden Garden Builders Pvt.Ltd.	-	-	150.00
		-	-	(150.00)
	Enjoy Builders Pvt.Ltd.	-	-	205.00
		-	-	(205.00)
	Lavender Properties Pvt.Ltd.	-	-	150.00
		-	-	(150.00)

Sr. No.	Transactions during the year with Related Parties	Key Managerial Personnel	Relatives of Key Managerial Personnel	₹ In Lacs
				Others
	Prakalp Properties Pvt.Ltd.	-	-	145.00
		-	-	(145.00)
	Rang Mandir Builders Pvt.Ltd.	-	-	200.00
		-	-	(200.00)
	Usha Kiran Builders Pvt.Ltd.	-	-	150.00
		-	-	(150.00)
<b>3</b>	<b>Trade and other payables</b>			
	Eden Garden Builders Pvt.Ltd.	-	-	9.33
		-	-	(9.74)
	Enjoy Builders Pvt.Ltd.	-	-	14.32
		-	-	(10.90)
	Lavender Properties Pvt.Ltd.	-	-	11.88
		-	-	(9.45)
	Prakalp Properties Pvt.Ltd.	-	-	10.96
		-	-	(8.74)
	Rang Mandir Builders Pvt.Ltd.	-	-	15.83
		-	-	(12.56)
	Usha Kiran Builders Pvt.Ltd.	-	-	12.01
		-	-	(9.69)
	Saisha Trading LLP	-	-	346.31
		-	-	(136.95)

(Note: Previous year figures provided in brackets)

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

Sr. No.	Nature of Transactions Subsidiaries (Excluding Reimbursements)	Key Managerial Personnel	Relatives of Key Managerial Personnel	₹ In Lacs
				Others
<b>4</b>	<b>Loans</b>			
	<b>Net Loans &amp; Advances Given/(Returned/Received)</b>			
	Abhishek Sureshbhai Mehta	-	-21.50	-
		-	-	-
	Ashvinbhai Raghavjibhai Jivani	-	-	-
		-	(-13.00)	-
	Dhirubhai Bhurabhai Boda	-	-	-
		-	(-2.00)	-
	Hardik Rajeshbhai Likhiya	-	-	-
		-	(-12.50)	-
	Hina Yogesh Gandhi	-	-	-
		-	(-68.13)	-
	Jayesh Mavjibhai Chaniyra	-	-	-
		-	(-26.90)	-
	Karan Pravinbhai Shah	-	-	-
		-	(-10.59)	-
	Khushbuben Rameshbhai Derasariya	-	-	-
		-	(-7.50)	-
	Manishbhai S. Shah	-	-	-
		-	(-25.00)	-
	Meenaben C. Gandhi	-	-	-
		-	(-83.25)	-

₹ In Lacs

Sr. No.	Nature of Transactions Subsidiaries (Excluding Reimbursements)	Key Managerial Personnel	Relatives of Key Managerial Personnel	Others
	Nayna Pravinbhai Mehta	-	-14.50	-
		-	-	-
	Payal Vishal Gandhi	-	-	-
		-	(-21.17)	-
	Pravinchandra Sevantilal Sheth - HUF	-	-	-
		-	(-16.29)	-
	Rajesh S.Shah	-	-	-
		-	(-21.17)	-
	Rajeshbhai Likhiya	-	19.50	-
		-	(-19.50)	-
	Rameshbhai Babulal Bhadja	-	-	-
		-	(-10.75)	-
	Ratilal Chhaganbhai Patel	-	-	-
		-	(-7.47)	-
	Sadhna Sureshbhai Mehta	-	-27.00	-
		-	-	-
	Utsav V Mehta	-	-7.00	-
		-	-	-
<b>5</b>	<b>Revenue transactions</b>			
	<b>Purchases / Material Consumed</b>			
	Saisha Trading LLP			1,194.57
				(164.11)
<b>6</b>	<b>Payment to Key Managerial Personnel</b>			
	Vivek Talwar	51.00	-	-
		(50.99)	-	-
	Vitenbhai H Kavar	12.00	-	-
		(8.40)	-	-
	Rajeshbhai J Lakhiya	30.00	-	-
		(12.00)	-	-
<b>7</b>	<b>Rent Paid</b>			
	Eden Garden Builders Pvt.Ltd.	-	-	3.18
		-	-	(3.18)
	Enjoy Builders Pvt.Ltd.	-	-	4.37
		-	-	(4.37)
	Lavender Properties Pvt.Ltd.	-	-	3.16
		-	-	(3.16)
	Prakalp Properties Pvt.Ltd.	-	-	3.02
		-	-	(3.02)
	Rang Mandir Builders Pvt.Ltd.	-	-	4.18
		-	-	(4.18)
	Usha Kiran Builders Pvt.Ltd.	-	-	3.16
		-	-	(3.16)
<b>8</b>	<b>Rent Received</b>			
	Saisha Trading LLP	-	-	2.73
		-	-	-

(Note: Previous year figures provided in brackets)

**30. Exceptional items for the year ended:**

Particulars	₹ in Lacs	
	March 31, 2016	March 31, 2015
Paid to GAIL India Limited	252.83	-
<b>Total</b>	<b>252.83</b>	<b>-</b>

In the previous financial year, GAIL India Limited had raised a demand of ₹ 1,497.15 Lacs (which was shown under “Contingent Liability”) on the Company towards under drawn quantity of Re-Liquified Natural Gas (RLNG) pertaining to calendar year 2014. This demand was raised under Take or Pay obligation under the long term supply contract for supply of Re-Liquified Natural Gas (RLNG). During the current financial year, GAIL has settled the demand at ₹ 252.83 Lacs and accordingly, the same is classified under Exceptional Items.

**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 of;

- Tiles and other related products
- Real Estate

**A. Business Segment**

Sr. No	Particulars	₹ In Lacs	
		March 31, 2016	March 31, 2015
1	Net sales / Income from operations		
	- Tiles and other related products	78,521.18	82,546.90
	- Real estate	348.45	1,195.82
	<b>Total Revenue</b>	<b>78,869.63</b>	<b>83,742.72</b>
2	Segment results		
	- Tiles and other related products	(4,265.53)	(6,657.78)
	- Real estate	13.04	97.14
	<b>Total Segment Profit Before Interest and Tax</b>	<b>(4,252.49)</b>	<b>(6,560.64)</b>
	Less : Interest and other financial cost	1,064.10	4,971.82
	Foreign exchange loss/(gain)	143.08	59.00
	Exceptional items	252.83	-
	<b>Profit Before Tax</b>	<b>(5,712.50)</b>	<b>(11,591.46)</b>
3	Capital Employed		
	(Segment assets - Segment liabilities)		
	- Tiles and other related products	91,330.17	94,798.18
	- Real estate	33,535.52	33,661.20
	- Unallocated/ Corporate	5,498.97	6,267.23
	<b>Total Capital Employed</b>	<b>130,364.66</b>	<b>134,726.61</b>

**B. Geographical Segment**

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

Particulars	₹ In Lacs					
	India		Rest of the world		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Segment revenue	77,161.45	82,293.47	1,708.18	1,449.25	78,869.63	83,742.72
Carrying cost of Segment assets	152,877.03	154,847.60	232.18	147.84	153,109.21	154,995.44
Addition of fixed assets and tangible assets	1,598.14	742.15	-	-	1,598.14	742.15

**32. Contingent Liability**

₹ in Lacs

Particulars	Year ended	Year ended
	March 31, 2016	March 31, 2015
Guarantees / Counter Guarantees given by the Company / by banks on behalf of Company	3,751.85	3,727.09
Letter of credits opened for which the Company is contingently liable	-	429.80
Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances )	84.56	11.87
Demands against the company not acknowledged as debts and not provided for against which the company is in appeal:		
Excise Duty	2,006.65	1,924.36
Custom Duty	751.57	1,574.33
Penalty levied by DGFT, Delhi	16,980.00	-
Sales Tax	1,196.46	1,333.17
Income tax	64.36	38.46
Others	111.52	93.39
Gail (India) Limited	-	1497.15

- (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) The Directorate of Revenue Intelligence (DRI) based on its investigations carried out in 2009, had issued a show cause notice in June 2011 claiming Anti Dumping duty of ₹ 329 crore on vitrified tiles imported during the period 2006 until 2009. The Designated Authority (DA), Anti Dumping in the Ministry of Commerce is the sole authority for recommending levy of anti-dumping duty. The DA based on its findings had exempted seven producers of tiles from China whose exports to India did not attract anti dumping duty during the relevant period. The Company had imported vitrified tiles from two such producers during the relevant period. DRI had alleged that some of these goods imported were not produced by the Companies which were so exempted and were produced by non exempted producers. Such a practice is known as circumvention of antidumping duty. In terms of Section 9A(1A) of the Customs Tariff Act, 1975 and Rules 25(3) and 26 of the Customs Tariff (Identification, Assessment and Collection of Antidumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the DA is required to conduct an investigation and recommend application of antidumping duty in such cases. On legal advice, the Company has replied to the Show Cause Notice stating that the duty demand is bad in law on various factual and legal grounds. As on date no order has been passed by the Adjudicating Authority. Accordingly, the show cause notice has not been classified as a contingent liability.

**33. Corporate Debt Restructuring**

The Company's business model until FY 2012, 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 crores 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. Thirteen Lenders aggregating approximately 86% of overall CDR debts of the Company have assigned their debts to an Asset Reconstruction Company (ARC). Since the net worth of the Company has been fully eroded, a reference filed under section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Hon'ble Board For Industrial and Financial Reconstruction (BIFR) has been duly registered with BIFR vide their letter dated May 12, 2015. In view of the above position, the Company has not provided for unpaid interest. Had the interest as per Loan Agreements been provided for, the interest for the year would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore), Losses for the year would have been higher by ₹ 196.95 crore (previous year ₹ 107.40 crore), corresponding bank liability would have increased by ₹ 196.95 crore (previous year ₹ 107.40) and net worth of the Company would have been lower by ₹ 196.95 crore (previous year ₹ 107.40).

34. In accordance with the requirement of Schedule II to Companies Act 2013, the Company had reassessed the estimated useful life of fixed assets w.e.f April 01, 2014 and depreciation is provided on the basis of useful lives as prescribed in Schedule II. This had resulted in the depreciation expenses for the year ended March 31, 2015 higher by ₹ 2,213.28 Lacs. Depreciation of ₹ 514.67 Lacs on account of assets whose useful life is already exhausted as on April 01, 2014, had been adjusted in Reserve as on April 01, 2014.
35. Previous year's figures have been regrouped / restated / reclassified / rearranged wherever necessary to make them comparable with those of the current year.





**Registered Office:** Recondo Compound, Inside Municipal Asphalt Compound, S. K. Ahire Marg, Worli, Mumbai – 400030.

**Tel:** +91 22 6616 4555; **Fax:** +91 22 6616 4657; **Email:** investorgrievances@nitco.in;

**CIN:** L26920MH1966PLC016547; **Website:** www.nitco.in

## NOTICE

Notice is hereby given that the **50TH Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Wednesday, the 21st day of September, 2016** 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 31st March, 2016 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 31st March, 2016 together with the Report of the Auditor's thereon;
2. To appoint a Director in place of Mr. Rohan Talwar (DIN. 03405064) who retires by rotation and being eligible, offers himself for re-appointment;
3. To ratify appointment of Statutory Auditors and fix their remuneration and in this regard 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 139, 142 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 thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, appointment of M/s. A. Husein Noumanali & Co., Chartered Accountants (Registration Number 107173W), be and is hereby ratified as Auditor of the Company and that the Board of Directors of the Company, be and are hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017."

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force), M/s. R. K. Bhandari & Co., Cost Accountants, (Firm Registration Number 10682), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 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."

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

### Adoption of new set of Articles of Association -

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, the draft regulations contained in the Articles of Association submitted to this meeting duly initialed by the Chairman for the purpose of identification be and are hereby approved and adopted as the new Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

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

**Puneet Motwani**  
Company Secretary

1st August, 2016  
Mumbai

# NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY. HOWEVER, A SINGLE PERSON MAY ACT AS A PROXY FOR A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 14th day of September, 2016 to Wednesday, the 21st day of September, 2016 (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. Rohan Talwar (DIN: 03405064) 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 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 Corporate 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 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), 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 50th 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 50th 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 50th Annual General Meeting and the Annual Report for FY 2015-2016 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 Corporate 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 50th 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 Saturday, September 17, 2016 (9.00 a.m) and ends on Tuesday, September 20, 2016 (5.00 p.m.). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 14, 2016, 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)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Date of Birth (DOB) or Date of Incorporation (DOI)	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB/DOI or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab;
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- (xi) Click on the EVSN for the relevant “NITCO LIMITED” on which you choose to vote;
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details;

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- (xvi) You can also take 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. 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 e-mailed to [nilesh@ngshah.com](mailto:nilesh@ngshah.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. 14th September, 2016 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 existing password for casting your vote.
  18. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  19. Mr. Mahesh Darji of M/s. Nilesh Shah & Associates, Practicing Company Secretaries (Membership No. FCS 7175), 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. 14th September, 2016.
  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 BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
  24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00pm) 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:**

The Board of Directors at its meeting held on 30th May, 2016, on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2017, at a remuneration amounting to ₹ 30,000/- (Rupees Thirty 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. 4 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. 4 of this Notice.

### **Item No. 5:**

Upon enactment of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association (AOA) of the Company need to be re-aligned as per the provisions of the Companies Act, 2013.

In order to make the AOA of the Company in tandem and to comply with the relevant sections/ provisions under the Companies Act, 2013 and rules made there under, the Board of Directors at its

meeting held on Monday, 1st August, 2016 proposed to replace the existing AOA of the Company by a new set of Articles. Accordingly, in lieu of amendments to various Articles in the existing AOA, it is considered prudent and desirable to adopt a new set of AOA of the Company, in substitution for, and to the exclusion of, the existing AOA of the Company. The new AOA to be substituted in place of the existing AOA is based on Table "F" of Schedule I to the Companies Act, 2013 which sets out the model AOA for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is sought for adoption of new set of AOA of the Company.

A copy of the new set of AOA of the Company proposed to be adopted would be available for inspection by the Members at the Registered office of the Company during the normal business hours on any working day except Saturdays and including the date of ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution except to the extent of their shareholding in the Company.

The Board recommends the resolution set forth under item No. 5 for member's approval.

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

**Puneet Motwani**  
Company Secretary

1st August, 2016  
Mumbai

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

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

<b>Name of the Director</b>	<b>Mr. Rohan Talwar</b>
Date of Birth	19.02.1985
Date of first Appointment on the Board	03.05.2012
Qualification	Bachelor's in Business Administration from Carnegie Mellon University, USA
Experience/Expertise in specific functional areas/ Brief resume of the Director	He has a rich experience in the hospitality sector. He is not involved in the business of the Company.
Terms & conditions of appointment/re-appointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013
Details of remuneration sought to be paid and remuneration last drawn	Sitting Fees
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	He is the son of Mr. Vivek Talwar, Managing Director of the Company
Number of meetings of the Board of Directors attended during the F.Y. 2015 - 16	1/4
Other Directorships held	<p><b>DIRECTORSHIP IN OTHER COMPANIES</b></p> <ol style="list-style-type: none"> <li>1. Watco Engineering Company Private Limited</li> <li>2. Ushakiran Builders Private Limited</li> <li>3. Rang Mandir Builders Private Limited</li> <li>4. Eden Garden Builders Private Limited</li> <li>5. Lavender Properties Private Limited</li> <li>6. Watco Chennai Real Estates Private Limited</li> <li>7. Watco Hyderabad Properties Private Limited</li> <li>8. Guest Infraprojects Private Limited</li> <li>9. Kshamta Properties Private Limited</li> <li>10. Watco Trading Private Limited</li> <li>11. IB Hospitality Private Limited</li> <li>12. Prakalp Properties Private Limited</li> <li>13. Bluesun Real Estate Private Limited</li> <li>14. Winstar Properties Private Limited</li> <li>15. Winword Properties Private Limited</li> <li>16. Digital Symphony Private Limited</li> <li>17. Nitco Consultants and Exports Private Limited</li> <li>18. Enjoy Builders Private Limited</li> </ol> <p><b>DESIGNATED PARTNER IN OTHER LLP</b></p> <ol style="list-style-type: none"> <li>1. Tanvish Properties LLP</li> <li>2. Winstar Properties LLP</li> <li>3. Made 4you Properties LLP</li> <li>4. Kavivarya Properties LLP</li> <li>5. Frieda Buildcon LLP</li> </ol>
Membership/Chairmanship of Committees of other Boards	NIL
Shareholding in the Company	NIL

ROUTE MAP TO THE VENUE OF THE FIFTIETH ANNUAL GENERAL MEETING OF NITCO LIMITED TO BE HELD ON  
WEDNESDAY, 21ST SEPTEMBER, 2016.





**Registered Office:** Recondo Compound, Inside Municipal Asphalt Compound, S. K. Ahire Marg, Worli, Mumbai – 400030.

**Tel:** +91 22 6616 4555 • **Fax:** +91 22 6616 4657 • **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 50th Annual General Meeting of the company, to be held on Wednesday, 21st September, 2016 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:



## ELECTRONIC VOTING PARTICULARS

Resolution No.	Description
<b>Ordinary Business</b>	
1.	Consider and Adopt:
	a) Audited Financial Statement, Report of the Board of Director and Auditors as on 31st March, 2016.
	b) Audited Consolidated Financial Statements as on 31st March, 2016.
2.	Appoint a Director in place of Mr. Rohan Talwar, who retires by rotation and being eligible, offers himself for re-appointment.
3.	Ratification of Appointment M/s. A. Husein Noumanali & Co., Chartered Accountants, as Auditors from the conclusion of 50th AGM until the conclusion of the next AGM.
<b>Special Business</b>	
4.	To approve the remuneration of M/s R. K. Bhandari & Co., Cost Accountants as Cost auditors for FY 2016-17.
5.	To adopt new set of Articles of Association as per Companies Act, 2013.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Affix  
Revenue  
Stamp

-----  
Signature of shareholder

-----  
Signature of Proxy holder(s)

**Notes:**

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



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## ATTENDANCE SLIP

50<sup>TH</sup> ANNUAL GENERAL MEETING ON 21<sup>ST</sup> SEPTEMBER, 2016

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 50<sup>th</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, 21<sup>st</sup> day of September, 2016 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
160728004		

### Notes:

- The voting period starts from, 17th September, 2016 (9:00 am IST) and ends on 20th September, 2016 (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.
- Please bring the above Attendance Slip to the Meeting Hall.



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