NITCO
TILES MARBLE MOSAICO

28th September, 2018

To,

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

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

Sub : Submission of Annual Report 2017-18 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 2017-18 duly approved & adopted in the Annual General Meeting of the Company held on 18th September, 2018.

Kindly take the same on record.

Thanking You,

Yours Faithfully,
For **NITCO Limited**

Puneet Motwani
Company Secretary & Compliance Officer

NITCO LIMITED

Registered Office: Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400042
Tel: +91 22 67521555; **Fax:** +91 22 67521500; **Email:** investorgrievances@nitco.in
CIN: L26920MH1966PLC016547; **Website:** www.nitco.in

NOTICE

Notice is hereby given that the **52nd Annual General Meeting** of the Members of **NITCO Limited ('the Company')** will be held on **Tuesday, the 18th day of September, 2018** at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, behind Prince of Wales Museum, Kala Ghoda, Mumbai – 400 001, to transact, with or without modifications, as may be permissible, the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt

   a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2018 and the Reports of Directors and Auditors of the Company thereon;

   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2018 together with the Report of the Auditor's thereon;

2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself for re-appointment;

3. To 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. Nayak & Rane, Chartered Accountants (ICAI Firm Registration Number 117249W), 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 March 31, 2019."

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 March 31, 2019 and 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 **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013 read with Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), approval of the Company be and is hereby accorded to the Board of Directors to purchase goods or materials upto ₹ 15,000 Lakhs from New Vardhman Vitrified Private Limited as defined under section 2(76) of the Companies Act, 2013 for a period of one year as per the details set out at Item No. 5 of the statement annexed to the Notice and that the board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including to delegate such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

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

Puneet Motwani — **August 10, 2018**
Company Secretary — **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 12th day of September, 2018 to Tuesday, the 18th day of September, 2018 (both days inclusive).

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

4. Particulars of Director(s) seeking re-appointment : Relevant particulars of Mr. Vivek Talwar (DIN: 00043180) are annexed with this notice and are also given in the report on Corporate Governance.

5. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the Meeting, so that the information could be made available at the Meeting.

6. Members are requested to furnish their Bank Account details, change of address, e-mail address, etc. to the Company's Registrar and Transfer Agent viz; Link Intime India Pvt. Ltd. (Link Intime) at the address mentioned in the Corporate Governance Report, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.

7. Members are advised to get their shares demated by sending Dematerialization Request Form (DRF) along with Share Certificates through their Depository Participant (DP) to Company's Registrar i.e. Link Intime India Private Limited (Link Intime).

8. Members wishing to claim dividends, which remain unclaimed, are requested to approach the Company Secretary at its registered office address and/or Link Intime. Members are requested to note that the Dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 125 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

9. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.

10. As a measure of economy, members are requested to bring copy of the Annual Report to the Meeting. Member / proxy holders shall hand over the attendance slips, duly filled in all respect, at the entrance of the hall for attending the Meeting.

11. Electronic copy of the Notice convening the 52nd 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 52nd 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 52nd Annual General Meeting and the Annual Report for F.Y. 2017-2018 will also be available on the Company's website at www.nitco.in. The physical copies of the aforesaid documents will also be available at the Company's 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 52nd 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 15, 2018 (9.00 a.m) and ends on Monday, September 17, 2018 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, September 11, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website at www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID-

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to krupa@krupajoisar.com with the copy marked to helpdesk.evoting@cdslindia.com

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

17. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 11th September, 2018 may obtain the login ID and password by sending a request at evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your exiting password for casting your vote.

18. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut –off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper.

19. Ms. Krupa Joisar of M/s. Krupa Joisar & Associates, Practicing Company Secretaries (Membership No. ACS A41023), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

20. The facility for voting, either through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

21. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

22. The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut off date i.e. 11th September, 2018.

23. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at www.nitco.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00pm) 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 May 29, 2018, on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2019, at a remuneration amounting to ₹ 40,000/- (Rupees Fourty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

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:

During the Financial year 2017-18 your company has entered into business transactions with M/s. New Vardhman Vitrified Private Limited (NVVPL), a subsidiary company which is a "Related Party" as defined under section 2(76) of the Companies Act, 2013. The company is also proposed to enter into certain business transactions with M/s. New Vardhman Vitrified Private Limited during Financial year 2018-19. These transactions are worth ₹ 13,890.16 lakhs for F.Y. 2017-18 and estimated at ₹ 15000 lakhs for F.Y. 2018-19 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statement of the Company. The details of such transactions are given below:

Transactions during 2017-18:

Sr. No.	Nature of Transactions with M/s. NVVPL	Amount (In lakhs)
1.	Purchase of Tiles from NVVPL	₹ 13,890.16

Estimated transactions for 2018-19:

Sr. No.	Nature of Transactions with M/s. NVVPL	Estimated Amount (In lakhs)
1.	Purchase of Tiles from NVVPL	₹ 15000

Prior omnibus approval of Audit Committee and Board was obtained on May 29, 2018 for related party transactions proposed to be entered into by your company with New Vardhman Vitrified Private Limited. As per the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "All Material Related Party Transactions" require approval of the shareholders through resolution if the transaction exceeds ten percent of the annual consolidated turnover of the listed entity or rupees 100 crore whichever is lower and the related parties and other connected persons shall abstain from voting on such resolutions.

Members may please note that transactions entered into by your company with M/s. New Vardhman Vitrified Private Limited for F.Y. 2017-18 and proposed to be entered into for F.Y. 2018-19 are "Material Related Party Transactions" entered into on arm's length basis and in the ordinary course of business.

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

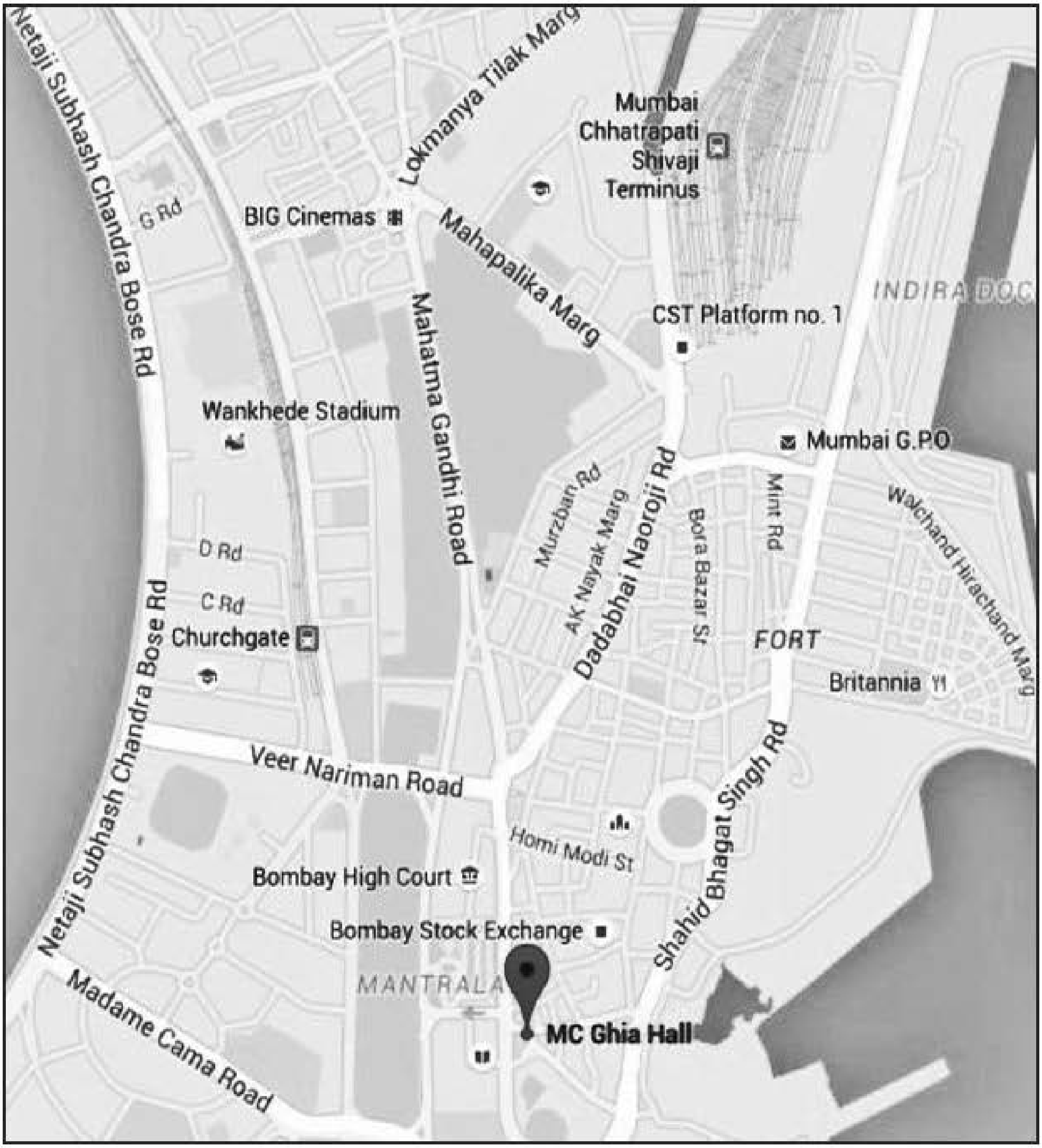
Puneet Motwani **August 10, 2018**
Company Secretary **Mumbai**

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)

Name of the Director	**Mr. Vivek Talwar**
Date of Birth	09/10/1956
Date of first Appointment on the Board	12/02/2014
Experience/Expertise in specific functional areas/ Brief resume of the Director	He has a rich experience of over 37 years in the tile industry. He was instrumental in setting up a plant at Alibaug to manufacture ceramic floor tiles and also in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate
Terms & conditions of appointment/re-appointment	Director is subject to Retirement by rotation in terms of Section 152 of the Companies Act, 2013.
Details of remuneration sought to be paid and remuneration last drawn	NIL
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company	NA
Number of meetings of the Board of Directors attended during the F.Y. 2017-18	6/6
Other Directorships held	**Companies in which he is a Director :** 1. B L Kashyap and Sons Ltd. 2. Meghdoot Properties Pvt. Ltd. 3. Feel Better Housing Pvt. Ltd. 4. Black – Panther Properties Pvt. Ltd. 5. Norita Investments Pvt. Ltd. 6. Melisma Finance and Trading Pvt. Ltd. 7. Saumya Buildcon Pvt. Ltd. 8. Cosmos Realtors Pvt. Ltd. 9. Orchid Realtors Pvt. Ltd. 10. Rhythm Real Estates Pvt. Ltd. 11. Merino Realtors Pvt. Ltd. 12. Glamorous Properties Pvt. Ltd. 13. Roaring – Lion Properties Pvt. Ltd. 14. Quick-Solution Properties Pvt. Ltd. 15. Silver-Sky Real Estates Pvt. Ltd. **LLPs in which he is a Designated Partner :** 1. Reliant Properties And Realty LLP 2. Greenarth Properties and Realty LLP 3. Strongbase Properties LLP 4. Firstlife Properties LLP 5. Gaurang Advisors LLP
Membership/Chairmanship of Committees of other Boards	NIL
Shareholding in the Company	6323669

ROUTE MAP TO THE VENUE OF THE 52ND ANNUAL GENERAL MEETING OF NITCO LIMITED TO BE HELD ON TUESDAY, 18th SEPTEMBER, 2018.



NOTES

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

ATTENDANCE SLIP

52nd ANNUAL GENERAL MEETING ON 18th SEPTEMBER, 2018

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 52nd Annual General Meeting of the Company held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai– 400 001 on Tuesday, 18th day of September, 2018 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
180820007		Existing Password

Notes:

- The voting period starts from, 15th September, 2018 (9:00 am IST) and ends on 17th September, 2018 (5:00 pm IST). The voting module shall be disabled by CDSL for voting thereafter.
- Please read the instructions for e-voting given along with the Annual Report.

Note: Please bring the above Attendance Slip to the Meeting Hall.

ANNUAL REPORT 2017 - 2018

NITCO

TILES MARBLE MOSAICO

What's Inside...

CORPORATE INFORMATION

Board of Directors
Mr. Vivek Talwar, Chairman & Managing Director
Mr. Pradeep Saxena, Independent Director
Mr. Sharath Bolar, Independent Director
Mrs. Bharti Dhar, Independent Director

Chief Financial Officer
Mr. Bhaskar Borkar

Company Secretary and Compliance Officer
Mr. Puneet Motwani

Statutory Auditor
Nayak & Rane, Chartered Accountant

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

Registered Office
NITCO Limited,
Plot No. 3, NITCO House, Kanjur Village Road,
Kanjur Marg (East),
Mumbai – 400 042, Maharashtra.
Tel: +91 22 6752 1555
Fax: +91 22 6752 1500

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

About us...

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

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

Presence...

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

Clientele..

Apart from catering to domestic demands, the Company enjoys a sizeable client base overseas and exports to Nepal, South Africa, U.A.E., Belgium, Ireland, Thailand, Bahrain, Uganda, Seychelles, Botswana, Zambia, Maldives, Poland, Qatar, Australia, Bhutan, Kenya, Ethiopia, Singapore, Kuwait, Taiwan, Tanzania, Fiji, Canada.

Key Corporate Strengths

Over 5000 retail outlets mark NITCO's presence in the country. The Company possesses over 1200 direct dealers, backed by 10 depots powering the distribution network. It also operates 12 exclusive showrooms, Le Studio pan-India, for displaying its exquisite range of tiles, mosaico and marble. The Company also has more than 170 showrooms operating as franchisees under Le Studio Express (LSE), Nitco Look stores as well as Shop-in-Shop concept for GVT and Wall Tiles category (in the name of GVT Gallore and Wall – Couture).

Technology

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

International Expertise

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

Key Milestone

1997

- Commissioned the Alibaug ceramic tiles unit

2002

- Received the Quality Excellence award for the Alibaug unit from the Institute of Trade and Industrial Development

2004

- Upgraded the Alibaug plant for manufacturing porcelain tiles

2006

- Expansion of ceramic tiles capacity at Alibaug
- Listed on the BSE and NSE
- Installed six windmills (7.5 MW) at Dhule, Maharashtra

2007

- Launch of the first Le Studio exclusive showrooms
- Best SAP Project Implementation award from SAP India Ltd.
- Received marble import license by the DGFT for 15,895 MT.
- Entered real estate development through Nitco Realties (subsidiary) with 100% shareholding
- Launched exclusive showrooms under the Le Studio brand

2008

- First Construction World award win

2009

- Second Construction World award win
- Added wall tiles to its product portfolio
- Received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications
- GAIL commenced RLNG supplies at the Alibaug unit

2010

- Set-up a marble processing facility with equipment supplied by Breton S.p.A at Silvassa
- Launched premium category porcelain tiles under the Naturoc brand

2011

- Commissioned a 5.5 MW cogeneration gas-based power plant at Alibaug
- Completed the construction of the Biz Park at Thane, spread across 2 lakh sq. ft

2012

- Marble processing plant at Silvassa commenced commercial operations
- Installed automatic pelletiser and polishing line at the ceramic tiles plant at Alibaug

2013

- Ranked 20th among “Dream companies to work for” by the World HRD Congress
- Acquired 51% stake in the equity of New Vardhman Vitrified Private Limited

2014

- Commercial production through the joint venture
- Launched digital wall tiles

2015

- Launch of large format GVT tiles from Alibaug factory (196x1200mn, 600x1200mn)

2016

- Launch of all GVT tiles from JV (800x800 mn, 600x600 mn & 600x1200mn)

2017

- Launch of NITCO premier loyalty programme

2018

- Set up an All India Business Development Team to strengthen its Architect connect Across all verticals.

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 Glazed Vitrified Tiles Our designs are inspired from nature. Each tile has a natural variation crafted to look and feel like the natural stone. This unique ability of NITCO makes it the Company of First Choice for architects.

Asset-light
NITCO's asset-light business model and commitment to innovation underpin every strategic decision we make. This has proved highly successful, allowed us to adapt swiftly to challenging market conditions, develop new products and services and respond quickly to the continual changes in customer preferences. The company outsources its domestic production of selected categories from JV partner and identified tiles manufacturers enabling it to remain asset-light.

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

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

Innovation at NITCO

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

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

Taking cue from universal elements, HD digital tiles – like NITCO's Trulife create true to life surfaces. With the use of modern techniques like 8 colour prism printing technology, every surface carved, every texture imprinted exudes nature in its minutest feature. Razor sharp detailing, finest resolution and plethora of sizes take you closer to Mother Nature. All this makes it the most preferred design brand by architects and builders. Its trust, service, world class products and much more built over generations is the relationship it enjoys with the customers and dealers who swear by NITCO.

Certifications

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

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

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

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

Key Corporate Highlight for 2017-18

DEMAND GENERATION ACTIVITIES

I. Architects Meets

We, at NITCO understand the design requirements of architects and their significance in our ndustry. NITCO focuses on organising multiple Architect Meet's at various regions to increase the awareness of NITCO's products among the architect community. This year NITCO setup a strong Professional Business development Team to service this community. The team represented all the vertical Tiles, Marble, Mosaic of NITCO and was the first spoke in connecting with the Architects and servicing their requirements. The team was supported by a Zonal Manager ably assisted in the back end by the Marketing team with skill set to assist the architect from CAD drawings, project render also provide testimonials and design assistance at all stages. The momentum of this activity helped NITCO win many projects across many application areas and also cemented NITCO as the most preferred brand among leading architects. The Top 50 best homes in India has NITCO as the most used brand. Also internationally showcased projects by India Architects have maximum usage of brand NITCO. NITCO today adorns from all India car showrooms of the likes of Maruti, Renault, Mahindra to many retail formats from Cafe Coffee Day/Starbucks/Lenskart to Many restaurants chains Barbeque Nation to large store formats like Ikea, H&M, Shoppers stop, offices like Google, Amazon to large public spaces airports, hotels, stadiums, hospitals, luxury residential across the country. It's ability to work very closely with architects, projects in this regard has helped NITCO win specification and project orders across India and also in its export business.

Some All India and Local event highlights

- Dialogue event Hyderabad March 2018 (a program for the Top 40 architects of the country): where NITCO for the first time customized and curated each Architect inspired design and also showcased creativity on surfaces.
- 50 Top Homes of India: A coffee table book by the famous Architet Alfaz Miller as curator showcased projects where the most used brands incidentally was NITCO.. book launch event
- College presentation to students and budding architects across India
- Road shows across India at tier 2 & 3 cities

II. Dealer Meets

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

III. Dealer Boys Training program

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

DIRECTOR'S REPORT

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 52nd Annual Report with the audited statement of accounts of the Company for the year ended March 31, 2018.

Financial results

The highlights of the financial results for the year ended March 31, 2018 are as follows:

(₹ in crores)

For the year ended March 31	Standalone		Consolidated	
	2018	2017	2018	2017
Total Income	**606.98**	**724.13**	**621.81**	**746.74**
Less: Excise duty including excise duty on traded products	15.32	66.35	16.51	68.25
Net Comparable Total Income	**591.66**	**657.78**	**605.30**	**678.49**
Profit /(Loss) before interest, depreciation and tax	**5.27**	**8.40**	**8.36**	**25.61**
Interest & Financial Charges (Net)	(8.46)	(2.58)	(13.86)	(8.31)
Depreciation	(72.46)	(37.98)	(80.53)	(49.67)
Exceptional Items	247.86	-	247.86	-
Profit/(loss) before tax	**172.22**	**(32.16)**	**161.84**	**(32.37)**
Provision for tax including reversal of taxes for earlier years	20.35	-	22.92	(1.19)
Other Comprehensive Income	(0.20)	(0.16)	(0.20)	(0.16)
Total Comprehensive Income	**192.37**	**(32.32)**	**184.56**	**(33.71)**
Non-controlling interest	-	-	**4.13**	**0.19**
Total Comprehensive Income after Non-controlling interest	**192.37**	**(32.32)**	**188.69**	**(33.52)**

Review of operation

The recent year has witnessed several major changes in government policies. Implementation of Goods & Service Tax (GST) Act, Real Estate (Regulation & Development) Act ("RERA") and continuation effect of demonetization in retail industry etc. have impacted real estate as well as building material industry in particular. Under such constraints, your Company was able to achieve total income (Net Comparable) of ₹ 591.66 crores, a decrease of 10% over last year. The Company has achieved EBITDA of ₹ 5.27 crores in FY 2017-18 against an EBITDA of ₹ 8.40 crores in FY 2016-17. This was made possible due to tight control on costs and the strong brand equity enjoyed by the Company. At a consolidated level, the Company has achieved EBITDA of ₹ 8.36 crores (previous year ₹ 25.61 crores).

Loan Restructuring and infusion of fresh equity

JM Financial Assets Reconstruction Company Limited ("JMFARC") has acquired the Company's debt from 16 lenders (approximately 98%) and has become the secured lender to the Company. JMFARC has sanctioned a debt restructuring package with effect from 28 February 2018. The terms of restructuring, inter-alia includes conversion of debt into equity, preference shares, restructured term loan and debentures. JMFARC also subscribed to fully paid equity shares as well as equity warrants of your Company. Details are provided in the note 45A to the standalone financial statements.

Joint Venture with New Vardhman Vitrified Tiles Pvt. Ltd.

Your Company had acquired 51% equity stake in New Vardhman Vitrified Tiles Pvt. Ltd. (NVVPL) during FY 2011-12. During the FY 2017-18, NVVPL has achieved net turnover of ₹ 126.59 crore, EBITDA of ₹ 1.32 crore and loss before tax of ₹ 11.00 crore. The Company is regular in servicing its commitment to its lenders and has repaid term loan installments of ₹ 56 crore since commencement of its operations.

Credit Rating

The last Credit Rating issued to the Company by CARE Limited was on 1st October, 2012. However, the credit rating was suspended since the Company was under Corporate Debt Restructuring.

Dividend

Your Board does not recommend any dividend for the financial year ended March 31, 2018.

Material Changes

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

Subsidiary Companies and Consolidated Financial Statements

The Company adopted Indian Accounting Standard (Ind-AS) from April 1, 2017 notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and accordingly Consolidated Financial Statements have been prepared in accordance with the Accounting Standard notified under Section 133 of the Companies

Act, 2013 and the relevant rules issued thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('SEBI (LODR)

Regulations, 2015') and the other accounting principles generally accepted in India. The Consolidated Financial Statements form part of 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 System

(i) Internal Control Systems and their adequacy

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

(ii) Internal Controls over Financial Reporting

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

Directors' Responsibility Statement

The Directors confirm that:

a) In the preparation of the annual accounts for the year ended March 31, 2018 the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed with proper explanation relating to material departures;

b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the loss of the Company for the year ended March 31, 2018;

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

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

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

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

Directors

During the year under review, there is no change in the composition of Board of Directors.

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

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

Board Evaluation

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

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

Key Managerial Personnel

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons were Key Managerial Personnel of the Company as on March 31, 2018:

Sr. No.	Name of the person	Designation
1.	Mr. Vivek Talwar	Chairman & Managing Director
2.	*Mr. Ajith Babu Narasimha	Chief Executive Officer
3.	Mr. B. G. Borkar	Chief Financial Officer
4.	Mr. Puneet Motwani	Company Secretary & Compliance Officer

* Ceased to be the Chief Executive Officer w.e.f. November 28, 2017

Corporate Governance

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance forms a part of this Annual

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

Management Discussion and Analysis

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

Contracts and Arrangements with Related Parties

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

Material related party transactions which are at arm's length are disclosed in form AOC-2 annexed as Annexure 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 37 to the standalone financial statement which sets out related party disclosures.

Transfer to Investor Education and Protection Fund (IEPF)

The Company was not liable to transfer any amount to Investor Education & Protection Fund (IEPF) account during the year under review.

Corporate Social Responsibility

The Company has constituted CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and shall perform such other activities as may be required along with other regulatory provisions.

Risk and Concern

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

Public Deposits

The Company has neither accepted nor renewed any deposit from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2018.

Auditors

At the Company's 51st Annual General Meeting (AGM) held on September 20, 2017, M/s Nayak & Rane, Chartered Accountants, Mumbai were appointed as the Company's Statutory Auditors from the conclusion of the 51st AGM till the conclusion of the 56th AGM (subject to ratification of their re-appointment by the Members at every AGM held after the AGM in which the appointment was made) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.

Auditor's Report

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

Secretarial Audit

The Board appointed M/s Mayur More & Associates, Practising Company Secretary, to conduct Secretarial audit for FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Audit

The Board has appointed M/s. R. K. Bhandari & Co, Cost Accountants, as cost auditor for conducting the audit of cost records of the Company for the applicable segment for FY 2017-18.

Audit Committee

The Audit Committee comprises Independent Directors namely Shri Pradeep Saxena (Chairman), Shri Sharath Bolar and Shri 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

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

Remuneration Policy

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

Prevention of Sexual Harassment of Women at Workplace

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

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

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

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

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

Extract of Annual Return

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

Particulars of Employees and related disclosures

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

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

General

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

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

Cautionary Statement

Statements in this Annual Report, particularly those that relate to Directors Report and Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Appreciation and acknowledgement

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

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

ANNEXURE I

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

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

1. Conventional Star delta Starters, replaced by Variable frequency drives and reduced the power consumption at following Locations-
   - Batch Ball Mills (90 KW Main Motors)
   - Main Ventilator Fans (132 KW Motors) of Spray dryers
   - All Blowers of Kiln no.1,3& 4.
   - All Dust Collector Fans
   - Fans of Tunnel Dryer
2. Installed the small compressors near to user point and proper Load management done for the efficient Utilization of Air Compressor;
3. Standard Efficiency Motors replaced by Energy Efficient Motors at Main Hydraulic pump of Press;
4. Replaced the use of compressed air for cleaning of Body dirt of Tiles, by Electrical blowers at Glaze Lines;
5. Replaced the conventional V Belts by Flat Belts at Polishing Line and saved the Power by improvement of Transmission efficiency;
6. Maximum demand controlled by Automatic Power Factor correction Panel and maintained the unity power factor;
7. Provided the Timers at Glaze Lines, to avoid the idle running of conveyors;
8. Replaced conventional Lights (HPMV Lamp/HPSV Lamp/CFL Lamps) by LED lights and reduced Power consumption;
9. Daily Monitoring of Energy consumption by providing the Energy Meters at different feeders and reduces the Power consumption.

B) Technology Absorption:

Interconnected two Glaze lines and two different sizes of tiles, printed by one Digital Machine and increases the Utilization of Digital printing Machine

C) Foreign exchange earnings and outgo:

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

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

ANNEXURE II

Form No - AOC-1 (Annual Perfoprmance of Subsdiaries)

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

(₹ in Lakh)

Name of Subsidiary Company	Nitco Holdings HK Co. Ltd.	New Vardhman Vitrified Pvt. Ltd.	Nitco Realties Pvt. Ltd.	Glamorous Properties Pvt. Ltd.	Opera Properties Pvt. Ltd.	Nitco IT Parks Pvt. Ltd.	Feel Better Housing Pvt. Ltd.	Maxwealth Properties Pvt. Ltd.	Nitco Aviation Pvt. Ltd.	Quick Solution Properties Pvt. Ltd.	Roaring-Lion Properties Pvt. Ltd.	Meghdoot Properties Pvt. Ltd.	Silver Sky Real Estate Pvt. Ltd.	Ferocity Property Pvt. Ltd.	Aileen Properties Pvt. Ltd.
	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018	3/31/2018
Paid up Capital	0.83	3,438.78	2.00	125.00	5.00	1.00	1.00	1.00	100.00	1.00	1.00	1.00	1.00	1.00	1.00
Reserves	4.56	121.46	699.35	259.30	(0.25)	(0.84)	(0.32)	(0.29)	(0.24)	(0.29)	(0.29)	(0.30)	(0.29)	(0.11)	(0.21)
Total Assets	5.39	14,847.75	7,804.95	508.71	368.21	50.33	453.39	334.86	103.70	244.00	138.01	597.85	436.58	394.48	3.37
Total Liabilities	0.00	11,287.51	7,103.60	124.41	363.46	50.17	452.71	334.15	3.95	243.28	137.30	597.15	435.87	393.59	2.58
Investments (except investment in subsidiary companies)	Nil	0.15	Nil	Nil	Nil	Nil	Nil	Nil	Nil	25.00	Nil	Nil	Nil	Nil	Nil
Net Turnover (Incl. other Income)	Nil	12,658.61	0.04	229.04	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) before taxation	(0.33)	(1,100.21)	(0.28)	(0.10)	Nil	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)
Provision for taxation	0.00	(257.42)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) after taxation	(0.33)	(842.79)	(0.28)	(0.10)	Nil	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)	(0.04)	(0.04)	(0.04)
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100%	51%	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

ANNEXURE III

Form No. AOC-2

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

Details of material contracts or arrangement or transactions at arm's length basis as on March 31, 2018

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)	Total Amount (₹ in lakh)
New Vardhman Vitrified Private Limited (Subsidiary)	Purchase of tiles	continuous in nature and not for a specific period	In ordinary course of business	November 7, 2012	NIL	13,890.16

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

ANNEXURE IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L26920MH1966PLC016547
ii)	Registration Date	25/07/1966
iii)	Name of the Company	NITCO Limited
iv)	Category / Sub Category of the Company	Public Company/ Limited by shares
v)	Address of the Registered Office and Contact details	Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400042 Tel: +91 22 6752 1555 Fax: +91 22 6752 1500
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar & Transfer Agents	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (west), Mumbai - 400083 Tel: 022 4918 6000 Fax: 022 4918 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of ceramic products	23939	84%
2	Cutting, Shaping and Finishing of Stone	23690	16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of holding	Applicable Section
13	**Ferocity Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S.K.Ahire Marg, Worli, Mumbai- 400030	U70100MH2003PTC142221	Step down Subsidiary	100%	Section 2(87)
14	**Silver-Sky Real Estates Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S.K..Ahire Marg, Worli, Mumbai- 400030	U70109MH2008PTC181581	Step down Subsidiary	100%	Section 2(87)
15	**Aileen Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S.K..Ahire Marg, Worli, Mumbai- 400030	U45201MH2011PTC213316	Step down Subsidiary	100%	Section 2(87)

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

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7149657	-	7149657	13.07	7149657	-	7149657	9.95	(3.12)
b) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Any other	30886407	4242	30890649	56.47	30887208	4242	30891450	42.99	(13.48)
Sub-Total shareholding of Promoter (1)	**38036064**	**4242**	**38040306**	**69.54**	**38036865**	**4242**	**38041107**	**52.94**	**(16.60)**
(2) Foreign									
a) Individuals (Non Resident / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total shareholding of Promoter (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total of Promoter shareholding (A) = (1) + (2)	**38036064**	**4242**	**38040306**	**69.54**	**38036865**	**4242**	**38041107**	**52.94**	**(16.60)**
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment fund	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investors	-	-	-	-	847169	-	847169	1.18	1.18
f) FI / Banks	72275	2585	74860	0.14	17440593	2585	17443178	24.27	24.13
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total = (B)(1)	**72275**	**2585**	**74860**	**0.14**	**18287762**	**2585**	**18290347**	**25.45**	**25.31**

Category of Shareholders			No. of Shares held at the beginning of the year [As on April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Central Govt. /State Govt. / President of India**		-	-	-	-	-	-	-	-	-
Sub Total = (B)(2)			-	-	-	-	-	-	-	-	-
3.	**Non-Institutions**										
a)	i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	4961287	87574	5048861	9.23	4300354	87474	4387828	6.11	(3.12)
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3204625	-	3204625	5.86	4500016	-	4500016	6.26	0.4
b)	NBFCs Registered with RBI		-	-	-	-	-	-	-	-	-
c)	Employee Trust		-	-	-	-	-	-	-	-	-
d)	Overseas depositories (Holding DRs) (Balancing Figure)		-	-	-	-	-	-	-	-	-
e)	Any other (Specify)		8328335	2351	8330686	15.23	6637306	2351	6639657	9.24	(5.99)
Sub-total (B)(3):-			**16494247**	**89925**	**16584172**	**30.32**	**15437676**	**89825**	**15527501**	**21.61**	**(8.71)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)			**16566522**	**92510**	**16659032**	**30.46**	**33725438**	**92410**	**33817848**	**47.06**	**16.60**
C.	**Non Promoter / Non Public Shareholding**										
a)	Custodian/DR Holder		-	-	-	-	-	-	-	-	-
b)	Employee Benefit trust		-	-	-	-	-	-	-	-	-
Total Non Promoter/Non Public Shareholding (c) = a + b			-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)			**54602586**	**96752**	**54699338**	**100.00**	**71762303**	**96652**	**71858955**	**100.00**	-

B) Shareholding of Promoter & Promoter Group

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on April 1, 2017]			No. of Shares held at the end of the year [As on March 31, 2018]			% 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	35.73	35.73	(11.21)
2	Vivek Prannath Talwar	6323669	11.56	11.56	6323669	8.80	8.80	(2.76)
3	Watco Engineering Co. Pvt. Ltd.	1616712	2.96	0.00	1616712	2.25	0.00	(0.71)
4	Nitco Paints Pvt. Ltd.	1598299	2.92	0.00	1598299	2.22	2.22	(0.70)
5	Anjali Talwar	543146	0.99	0.00	543146	0.76	0.00	(0.23)
6	Prannath Amarnath Talwar	503837	0.92	0.00	0	0.00	0.00	(0.92)
7	Rajeshwari Prannath Talwar	322151	0.59	0.00	825988	1.15	0.00	0.56

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on April 1, 2017]			No. of Shares held at the end of the year [As on March 31, 2018]			% 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	
8	Rang Mandir Builders Pvt. Ltd.	280269	0.51	0.00	280269	0.39	0.39	(0.12)
9	Ushakiran Builders Pvt. Ltd.	209417	0.38	0.00	209417	0.29	0.29	(0.09)
10	Lavender Properties Pvt. Ltd.	208072	0.38	0.00	208072	0.29	0.29	(0.09)
11	Prakalp Proprties Pvt. Ltd.	175785	0.32	0.00	175785	0.25	0.25	(0.07)
12	Eden Garden Builders Pvt. Ltd.	156951	0.29	0.00	156951	0.22	0.22	(0.07)
13	Lovraj Talwar	87301	0.16	0.00	87301	0.12	0.00	(0.04)
14	Nitco Tiles And Marble Industries (Andhra) Pvt. Ltd.	85517	0.16	0.00	85517	0.12	0.00	(0.04)
15	Sanjnaa Talwar	85517	0.16	0.00	85517	0.12	0.12	(0.04)
16	Enjoy Builders Pvt. Ltd.	72646	0.13	0.00	72646	0.10	0.10	(0.03)
17	Poonam Wasan	62562	0.11	0.00	63363	0.09	0.00	(0.02)
18	Vivek Prannath Talwar (HUF)	27264	0.05	0.00	27264	0.04	0.00	(0.01)
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
	Total	**38040306**	**69.54**	**58.50**	**38041107**	**52.94**	**48.41**	**(16.59)**

C) Change in Promoter's Shareholding

There were two changes in the Promoters' shareholding which is as under:

a) Purchase of 801 Shares by Ms. Poonam Wasan constituting to 0.001% of the shareholding in the financial year 2017-18.

b) Interse transfer of Shares by inheritance from Mr. Prannath Talwar to Mrs. Rajeshwari Talwar.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 1, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1.	**JM Financial Asset Reconstruction Company Limited**	-	-	**01-Apr-17**	-	-	-
	Through Private Placement			07-Mar-18	17159617	17159617	23.88
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**17159617**	**23.88**
2.	**SANJEEV RAJ KAPOOR**	**2065281**	**3.77**	**01-Apr-17**	**-**	**2065281**	**2.87**
	Market Sell			28-Apr-17	-5000	2060281	2.87
	Market Sell			05-May-17	-2169	2058112	2.86
	Market Sell			12-May-17	-10000	2048112	2.85
	Market Sell			19-May-17	-5000	2043112	2.84
	Market Sell			16 Jun-17	-10000	2033112	2.83
	Market Sell			07 Jul-17	-7831	2025281	2.82
	Market Sell			08 Sep-17	-208822	1816459	2.53
	Market Sell			08 Dec-17	-100000	1716459	2.39
	Market Sell			16 Feb-18	-175000	1541459	2.15
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**1541459**	**2.15**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 1, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
3.	**MUKUL AGRAWAL**	**-**	**-**	**01-Apr-17**	**-**	**-**	**-**
	Market Buy			05-May-17	100000	100000	0.14
	Market Sell			19-May-17	-33879	66121	0.09
	Market Sell			26-May-17	-26121	40000	0.06
	Market Sell			02-Jun-17	-20000	20000	0.03
	Market Sell			09-Jun-17	-20000	0	0.00
	Market Buy			08-Dec-17	796914	796914	1.11
	Market Buy			29-Dec-17	11695	808609	1.13
	Market Buy			05-Jan-18	100000	908609	1.26
	Market Buy			12-Jan-18	24463	933072	1.30
	Market Buy			19-Jan-18	72872	1005944	1.40
	Market Buy			02-Feb-18	294056	1300000	1.81
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**1300000**	**1.81**
4.	**ASHOK VISHWANATH HIREMATH**	**900000**	**1.6454**	**01-Apr-17**	**-**	**900000**	**1.25**
	Market Sell			08-Sep-17	-100000	800000	1.11
	Market Buy			17-Nov-17	24000	824000	1.15
	Market Sell			12-Jan-18	-20000	804000	1.12
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**804000**	**1.12**
5.	**EDELWEISS BROKING LIMITED**	**2473**	**-**	**01-Apr-17**	**-**	**2473**	**-**
	Market Buy			07-Apr-17	4098	6571	0.01
	Market Sell			14-Apr-17	-1093	5478	0.01
	Market Buy			21-Apr-17	5119	10597	0.01
	Market Sell			28-Apr-17	-235	10362	0.01
	Market Sell			05-May-17	-5829	4533	0.01
	Market Sell			12-May-17	-3479	1054	0.00
	Market Buy			19-May-17	20517	21571	0.03
	Market Sell			26-May-17	-9206	12365	0.02
	Market Sell			02-Jun-17	-7864	4501	0.01
	Market Sell			09-Jun-17	-1515	2986	0.00
	Market Buy			16-Jun-17	4222	7208	0.01
	Market Sell			23-Jun-17	-6438	770	0.00
	Market Buy			30-Jun-17	3664	4434	0.01
	Market Buy			07-Jul-17	4346	8780	0.01
	Market Buy			14-Jul-17	7969	16749	0.02
	Market Buy			21-Jul-17	14606	31355	0.04
	Market Sell			28-Jul-17	-11247	20108	0.03
	Market Sell			04-Aug-17	-14664	5444	0.01
	Market Buy			11-Aug-17	1282	6726	0.01
	Market Sell			18-Aug-17	-1560	5166	0.01
	Market Sell			25-Aug-17	-3701	1465	0.00
	Market Buy			01-Sep-17	12907	14372	0.02
	Market Buy			08-Sep-17	6873	21245	0.03
	Market Sell			15-Sep-17	-12305	8940	0.01

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 1, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Market Sell			22-Sep-17	-810	8130	0.01
	Market Buy			29-Sep-17	50880	59010	0.08
	Market Sell			30-Sep-17	-1500	57510	0.08
	Market Sell			06-Oct-17	-47395	10115	0.01
	Market Buy			13-Oct-17	50927	61042	0.08
	Market Sell			20-Oct-17	-45844	15198	0.02
	Market Buy			27-Oct-17	1347	16545	0.02
	Market Sell			03-Nov-17	-1144	15401	0.02
	Market Sell			10-Nov-17	-1301	14100	0.02
	Market Buy			17-Nov-17	619	14719	0.02
	Market Sell			24-Nov-17	-10582	4137	0.01
	Market Buy			01-Dec-17	930	5067	0.01
	Market Buy			08-Dec-17	11191	16258	0.02
	Market Sell			15-Dec-17	-1020	15238	0.02
	Market Sell			22-Dec-17	-350	14888	0.02
	Market Sell			29-Dec-17	-8883	6005	0.01
	Market Buy			05-Jan-18	16141	22146	0.03
	Market Buy			12-Jan-18	942	23088	0.03
	Market Sell			19-Jan-18	-4810	18278	0.03
	Market Buy			26-Jan-18	16113	34391	0.05
	Market Sell			02-Feb-18	-2746	31645	0.04
	Market Sell			09-Feb-18	-20284	11361	0.02
	Market Buy			16-Feb-18	30719	42080	0.06
	Market Sell			23-Feb-18	-38190	3890	0.01
	Market Buy			02-Mar-18	4947	8837	0.01
	Market Sell			09-Mar-18	-1809	7028	0.01
	Market Buy			16-Mar-18	44635	51663	0.07
	Market Sell			23-Mar-18	-42554	9109	0.01
	Market Buy			31-Mar-18	492577	501686	0.70
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**501686**	**0.70**
6.	**POLARIS BANYAN HOLDING PVT LTD**	**704376**	**1.29**	**01-Apr-17**	**-**	**704376**	**0.98**
	Market Sell			22-Sep-17	-61286	643090	0.89
	Market Sell			29-Sep-17	-153714	489376	0.68
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**489376**	**0.68**
7.	**SEA GLIMPSE INVESTMENTS PVT LTD**	**340042**	**0.62**	**01-Apr-17**	**-**	**340042**	**0.47**
	Market Buy			30-Jun-17	100000	440042	0.61
	Market Sell			07-Jul-17	-100000	340042	0.47
	Market Buy			29-Sep-17	100000	440042	0.61
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**440042**	**0.61**
8.	**MAVEN INDIA FUND**	**-**	**-**	**01-Apr-17**	**-**	**-**	**-**
	Market Buy			02-Feb-18	250000	250000	0.35
	Market Buy			09-Feb-18	50000	300000	0.42
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**300000**	**0.42**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 1, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
9.	**CITRINE FUND LIMITED**	**-**	**-**	**01-Apr-17**	**-**	**-**	**-**
	Market Buy			16-Jun-17	50000	50000	0.07
	Market Buy			07-Jul-17	150000	200000	0.28
	Market Buy			14-Jul-17	30000	230000	0.32
	Market Buy			20-Oct-17	47000	277000	0.39
	Market Buy			12-Jan-18	20000	297000	0.41
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**297000**	**0.41**
10.	**AXIS BANK LIMITED**	**22492**	**0.04**	**01-Apr-17**	**-**	**22492**	**0.03**
	Market Sell			07-Apr-17	-100	22392	0.03
	Market Sell			14-Apr-17	-10500	11892	0.02
	Market Buy			28-Apr-17	3924	15816	0.02
	Market Buy			12-May-17	5701	21517	0.03
	Market Sell			19-May-17	-4140	17377	0.02
	Market Sell			26-May-17	-2403	14974	0.02
	Market Buy			02-Jun-17	848	15822	0.02
	Market Sell			09-Jun-17	-2005	13817	0.02
	Market Sell			16-Jun-17	-2	13815	0.02
	Market Buy			23-Jun-17	32232	46047	0.06
	Market Sell			30-Jun-17	-4260	41787	0.06
	Market Sell			07-Jul-17	-31300	10487	0.01
	Market Buy			14-Jul-17	3255	13742	0.02
	Market Buy			21-Jul-17	2331	16073	0.02
	Market Sell			28-Jul-17	-50	16023	0.02
	Market Sell			04-Aug-17	-11103	4920	0.01
	Market Buy			11-Aug-17	10650	15570	0.02
	Market Sell			25-Aug-17	-3890	11680	0.02
	Market Sell			01-Sep-17	-10850	830	0.00
	Market Sell			08-Sep-17	-180	650	0.00
	Market Buy			15-Sep-17	33304	33954	0.05
	Market Buy			22-Sep-17	58620	92574	0.13
	Market Buy			29-Sep-17	85586	178160	0.25
	Market Buy			06-Oct-17	8969	187129	0.26
	Market Sell			13-Oct-17	-34395	152734	0.21
	Market Buy			20-Oct-17	4700	157434	0.22
	Market Buy			27-Oct-17	1922	159356	0.22
	Market Sell			03-Nov-17	-10764	148592	0.21
	Market Buy			10-Nov-17	23016	171608	0.24
	Market Buy			17-Nov-17	5935	177543	0.25
	Market Sell			24-Nov-17	-2013	175530	0.24
	Market Buy			01-Dec-17	3650	179180	0.25
	Market Sell			08-Dec-17	-12020	167160	0.23
	Market Buy			15-Dec-17	170	167330	0.23
	Market Buy			22-Dec-17	13071	180401	0.25

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year [As on April 1, 2017]		Transactions during the year		Cumulative Shareholding at the end of the year [As on March 31, 2018]	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Market Sell			29-Dec-17	-5918	174483	0.24
	Market Buy			05-Jan-18	17982	192465	0.27
	Market Sell			12-Jan-18	-8721	183744	0.26
	Market Buy			19-Jan-18	53097	236841	0.33
	Market Buy			26-Jan-18	1590	238431	0.33
	Market Buy			02-Feb-18	60921	299352	0.42
	Market Sell			09-Feb-18	-12228	287124	0.40
	Market Sell			16-Feb-18	-10544	276580	0.38
	Market Sell			23-Feb-18	-5733	270847	0.38
	Market Buy			02-Mar-18	2680	273527	0.38
	Market Sell			09-Mar-18	-5873	267654	0.37
	Market Buy			16-Mar-18	1272	268926	0.37
	Market Sell			23-Mar-18	-1572	267354	0.37
	Market Buy			31-Mar-18	483	267837	0.37
	AT THE END OF THE YEAR			**31-Mar-18**	**-**	**267837**	**0.37**

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 [As on April 1, 2017]		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. Pradeep Saxena - Independent Director	-	-	-	-
3	Mr. Sharath Bolar - Independent Director	-	-	-	-
4	Mrs. Bharti Dhar - Independent Director	-	-	-	-
5	Mr. B.G. Borkar - Chief Financial Officer	71200	0.13	71200	0.13
6	Mr. Puneet Motwani - Company Secretary	1	0.00	1	0.00

V) INDEBTEDNESS

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

(₹ In Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1278.02	-	-	1278.02
ii) Interest due but not paid	15.38	-	-	15.38
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1293.40**	**-**	**-**	**1293.40**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	443.16	-	-	443.16
Net Change	**(443.16)**	**-**	**-**	**(443.16)**
Indebtedness at the end of the financial year				
i) Principal Amount	848.51	-	-	848.51
ii) Interest due but not paid	1.72	-	-	1.72
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**850.24**	**-**	**-**	**850.24**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

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	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify	-
	Total (A)	**-**
	Ceiling as per the Act	60

*No Salary was paid to Mr. Vivek Talwar during the year 2017-18

B. Remuneration to other Directors

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Pradeep Saxena	Sharath Bolar	Bharti Dhar	
1	Independent Directors				
	Fee for attending board/committee meetings	2.80	2.80	1.80	7.40
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**2.80**	**2.80**	**1.80**	**7.40**
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration (A) + (B)	**2.80**	**2.80**	**1.80**	**7.40**

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

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	CFO	CS	Total
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70.94	179.12	6.44	256.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.48	0.91	-	11.39
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**81.42**	**180.03**	**6.44**	**267.89**

***Remuneration of CEO:**

1. Mr. Ajith Babu Narasimha CEO of the Company resigned on November 28, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments or any compounding of offences during the financial year 2017-18

ANNEXURE V

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,

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

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2018, 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, 2018, 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:

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Independent Director's. There is no change in the Composition of the Board of Directors during the period under review.

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:

1. The Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 authorizing the Board of Directors to convert a part of the outstanding loans into preference shares/ debenture/fully paid-up equity shares of the Company pursuant to sanction letter of JM Financial Asset Reconstruction Company Limited dated January 23, 2018.
2. During the audit period, the Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 for restructuring the outstanding Loan.
3. The Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to issue, offer and allot 70,07,709 [Seventy Lakhs Seven Thousand Seven Hundred and Nine] Equity Shares of ₹ 10/- each at a premium of ₹ 104.16 [Rupees One Hundred and Four and Sixteen Paisa Only].
4. The Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to create, issue, offer and allot 61,31,745 [Sixty One Lakhs Thirty One Thousand Seven Hundred and Forty Five] Convertible Warrants (the "Warrants") at an issue price of ₹ 114.16 per warrant inclusive of premium of ₹ 104.16 (Rupees One Hundred and Four and Sixteen Paisa Only) on preferential basis.
5. The Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to issue and allot 1,01,51,908 [One Crore One Lakh Fifty One Thousand Nine Hundred and Eight] Equity Shares of face value of ₹ 10 each fully paid at par, pursuant to conversion of Debt into Equity.
6. Pursuant to conversion of Debt into Preference Shares of the Company, as a part of restructuring, the Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to offer, issue and allot 15,00,00,000 [Fifteen Crore] Redeemable Non-Convertible Preference Shares of ₹ 10/- each at par.
7. The Company has passed Special resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to issue and allot 500 secured/unsecured, listed/unlisted, redeemable non-convertible Debentures of Face Value of ₹ 10,00,000 each as a part of restructuring.
8. The Company has passed ordinary resolution in the Extra-Ordinary General Meeting held on February 22, 2018 to increase Authorised Share Capital and alter Capital Clause of the Memorandum of Association of the Company.
9. Chief Executive Officer resigned from the services of the Company with effect from November 28, 2017.

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

For, Mayur More & Associates
Company Secretaries

Mayur M. More
ACS No. 35249 **COP** No. 13104

Mumbai, May 25, 2018

'ANNEXURE A'

To,
The Members,

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

Dear Sir / Madam,

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

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

For, Mayur More & Associates
Company Secretaries

Mayur M. More
ACS No. 35249 **COP** No. 13104

Mumbai, May 25, 2018

ANNEXURE VI

STATEMENT OF
Disclosure of Remuneration

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

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2017-18, the percentage increase in remuneration of Chairman & Managing Director, Joint Managing Directors, Executive Directors, Company Secretary and Chief Financial Officer during the financial year 2017-18:

Sr. No.	Name of Director /KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage increase in Remuneration
1	Mr. Vivek Talwar	Chairman & Managing Director	Nil	Nil
3.	* Mr. Ajith Babu	CEO	Not Applicable	Nil
4	Mr. B.G. Borkar	CFO	Not Applicable	Nil
5	Mr. Puneet Motwani	CS	Not Applicable	15%

* Ceased to be Chief Executive Officer (CEO) of the Company w.e.f. November 28, 2017.

Note:

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

II.

Sr. No.	Particulars	Details
1	% increase in the median remuneration of the employee in the financial year 2017-18	9%
2	Total number of employees of the Company as on March 31, 2018 (on Standalone basis)	1006
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2017-18 and comparison with the percentile increase in remuneration of Executive Director and jurisdiction thereof	Average percentile increase in the salaries of the eligible employees excluding managerial personnel during financial year 2017-18 was 9%. Whereas average increase in remuneration of Executive Directors was NIL.

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

For and on Behalf of Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices.

Global growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve (Source: IMF, World Economic Outlook, April 2018)

Activity in advanced economies is expected to grow 2.2 percent in 2018 before easing to a 2 percent rate of expansion next year, as central banks gradually remove monetary stimulus, the June 2018 Global Economic Prospects says. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year's increase. (Source: IMF, World Economic Outlook, April 2018).

Risks to global outlook remain moderate over the medium term. However, the outlook is vulnerable to sudden changes in market sentiment or unexpected policy shifts that could lead to financial instability. In addition, increased trade protectionism, volatility in commodity markets and rising geopolitical tensions could weigh on sentiment and disrupt the recovery.

Indian Economy

As Financial Year 2017-18 (FY18) draws to a close, it is worth taking a look at India's economic performance over what has been quite an interesting period. While the first quarter of the year saw the impact of demonetisation settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

In the coming financial year, what can we expect? As global economic activity continues to strengthen, global growth is forecast to grow by 3.9% during 2018 as per the International Monetary Fund's (IMF) January 2018 World Economic Outlook. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during 2017.

The Economic Survey for 2017-18 pegs the figure at 7-7.5% for the financial year ahead.

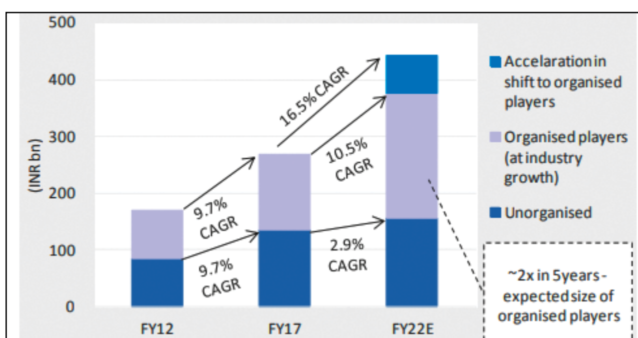
The global economy is stabilising with favourable global trade and financial conditions. Domestically, GST promises to deliver positive outcomes as India becomes a single, more competitive market. We can look forward to an upward growth path for India in FY 2018-19. (Source : CII, Indian Economic Outlook 2018-19)

Global Ceramic Tiles Industry

World ceramic tile production and consumption have resumed growth following a year of stagnation and sub-percentage-point variations. In 2016, world ceramic tile production grew by almost 6% to pass the 13 billion sq.m mark, buoyed in particular by the recovery in Asia (+8%) and the more rapid pace of growth in production in the European Union (+7%) and North America (+8.5%), matched by almost identical increases in demand in the same regions. The growth in Asia is attributable above all to the twin giants of "Chindia": China in response to the upturn in domestic demand (exports are continuing to fall) and India driven by strong growth in exports to the Middle East (up by no less than 39%!), in some cases replacing Chinese products (for example in Saudi Arabia). Global import-export flows remained lacklustre for the third year running, growing by just 48 million sq.m to 2,794 million sq.m (+1.7%). Furthermore, this growth was entirely attributable to the strong performance of the European Union – in other words Italy and Spain – which exported a world-leading 80% of its entire output and alone accounted for one quarter of total world exports. In sharp contrast with the contraction in South America and North Africa, the growth in production in Europe, India and the NAFTA region is reflected in the figures for the world's top 25 ceramic tile groups scattered across four continents, which are extremely heterogeneous in terms of product types and value of production, level of internationalisation and market penetration (Source CWR 2017).

Indian Ceramic Tiles Industry

The tiles industry at INR270bn is expected to register healthy 10.5% CAGR over FY17-22 led by pick up in government projects and thrust on low cost housing and steady retail demand in Tier 2/3 cities. Organised players in the industry are expected to clock 16.5% CAGR led by demand shift in their favour on account of favourable GST rate of 18% vs. 26-28% earlier tax rate. Further, government's focus on housing and robust exports surge are likely to boost growth. Leading players may continue to gain market share (top 3 players' market share increased to 53% from 43% in FY10) on back of strong brand, distribution and outsourcing.



Source: Industry, Edelweiss research

Driven by introduction of value-added products in the urban areas and increasing penetration of ceramic tile as a preferred option in rural areas, rising awareness towards personal hygiene along with massive schemes launched by the Government of India, there is potential to maintain positive growth in the medium term. India's domestic consumer market, increase in working-age population and urbanisation is envisaged to augur well for the aesthetically and technically superior high-end ceramic tiles in the urban segment than in the past. Apart from above, the Government's 'Make-in-India' drive, 'Housing-for-all by 2022', 'Swachh Bharat Abhiyaan', 'Smart Cities Mission' covering 100 cities in 5 years is expected to generate a volume-driven growth resulting in economies of scale.

Business segment review – Tiles

While the domestic tile industry posted 15% CAGR over FY10-15, growth slackened to mere 6% CAGR over FY15-17. This was primarily due to slowdown in the real estate market, with inventories being stuck with builders and investors. Further, events like demonetization, destocking related to GST also dented the tile industry. Over the past 2 years, even realisations have been under pressure because companies were passing on fall in gas prices. We expect demand to recover predominantly led by increase in volumes and realisations on account of low base of FY18 (due to demonetization & GST implimentation) . The downward revision of GST rate to 18% that will reduce the price gap between organised and unorganized players. Further, the government's focus on Housing For All by 2022 and other initiatives like development of Smart Cities are envisaged to aid revenue growth.

Overview

The segment constitutes three products – ceramic floor and wall tiles, vitrified tiles and GVT. The product portfolio encompasses tiles with gloss, matte, wood, metal, stone and rustic finishes. The Company's total tile production capacity was approximately 16 million sq m as on March 31, 2018.

Key Highlights 2017-18

- Introduction of 60 new wall tile concepts in Eclectic Collection with a look book concept perspective
- Five amazing new designs in Argilla 30 x 30 ceramic tile collection
- 6 new SKUs in Granite look series & 6 exclusive new SKUs in marble look Dessert series of Double charge polished vitrified category

Outlook

- Introduce new ceramic and vitrified tiles in various sizes, designs and range
- Enhance share of value added vitrified tiles, using newer technologies.

Business segment review – Marble

The initial GST (Goods & Service Tax) rate of 28% had severally affected the business; but reduction of the tax rate thereafter to 18% has brought some relief to the industry. The imports of marble blocks has increased dramatically since the liberalisation of import policy. It is estimated that imports have almost tripled to an annual 2.5 million tons in last 12 months. Greater competition due to the entry of many more Indian companies selling imported marble has meant there has also been a decline in retail prices which is expected to fuel demand.

Overview

Nitco is one of India's largest natural marble importers from Italy, Spain, Turkey, Egypt and China. The Company has a state of the art marble processing facility at Silvassa processes marble block, deploying Breton technology (integrated automated plant available with only handful of companies in the world). The marble comprises superior designs and quality used in flooring solutions (interior and exterior).

Key Highlights 2017-18

The business was affected due to implementation of GST, liberalisation of import policy and implementation of RERA. All these change are however beneficial to the branded companies like NITCO in the long run. The Company at this point of time focused on being closer to the customer both in the retail segment and the projects. The project business was also reeling under the pressure of the high inventory and reduced new launches by developers. Challenging environment has resulted in lower sales during the year.

Business segment review – Real estate

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. India's rank in the Global House Price Index has jumped 13* spots to reach the ninth position among 55 international markets, on the back of increasing prices in mainstream residential sector. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US$ 24.67 billion in the period April 2000-December 2017. The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. (Source – IBEF June 2018)

Key Highlights 2017-18

During the year, the company sold office space at Nitco Biz Park for aggregate value of ₹ 29.59 crs.

Information Technology

In a high competitive business environment, it is imperative to create robust IT platform that will focus on enhancing efficiency. At Nitco, embracing the latest technology provides us an edge over competitors, enhance productivity, helps to expand business operations and facilities in on boarding new customers.

Key Highlights 2017-18

- Successfully upgraded SAP to GST compliance version, enhanced the GST compliance business processes and process controls within SAP. Also implemented fully automated synchronisation of GST return data from SAP to Application Service provider's Portal system for integration with GSTN portal.

- SAP implementation for Marble Business was executed to the near completion, with all modules such as SD, MM, PP, FI, CO being implemented. This was one of the major IT initiative to bring all the business verticals under single SAP system environment.
- IT Infrastructure enhancements in the areas of server virtualization, video conferencing, storage upgradation, security compliance were implemented for better security, reliability, service management and cost advantages.
- Mobility App solution 'TURBO' was further enhanced for functional & productivity improvements
- Various enhancements in SAP ERP systems for business process improvements, workflow automation, process controls, MIS and decision making support were implemented through process automation

Outlook:

- Actual implementation and go live of all SAP modules for Marble Business and enhancement of SAP business processes & MIS automation for Marble division will be one of the major focus area for FY 18-19.
- Cost optimization for IT Infrastructure management and service delivery through cost effective technologies such cloud technology, opex models for various IT services, exploring cost efficient solutions etc. will be further explored and deployed.
- Enhancements in SAP ERP systems for MIS automation, business process automation, workflow automation, better process controls, process documentation etc. will be explored and deployed
- Sales driven mobile App & automation technologies, including enhancements in existing Mobile Apps, will be explored and suitable solutions will be deployed for better efficiencies and higher sales productivity.

Human Capital

The FY 2017-18 ended with a headcount of 1006 on the rolls of Nitco. Nitco continued attracting new talent across various levels in the organisation and enjoyed cordial relations with all its employees spread across sales regions, factories and corporate office..

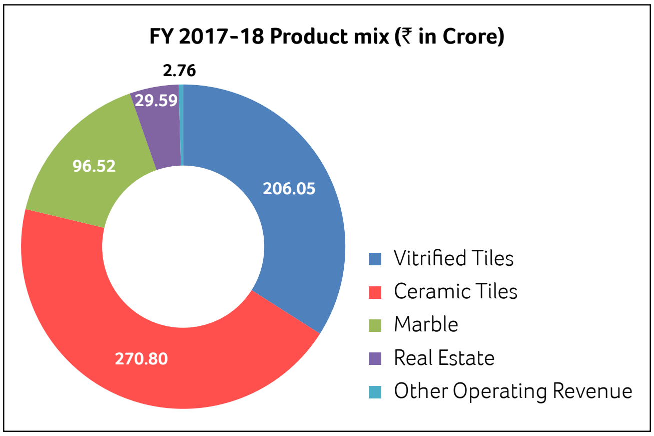
Key Highlights 2017-18

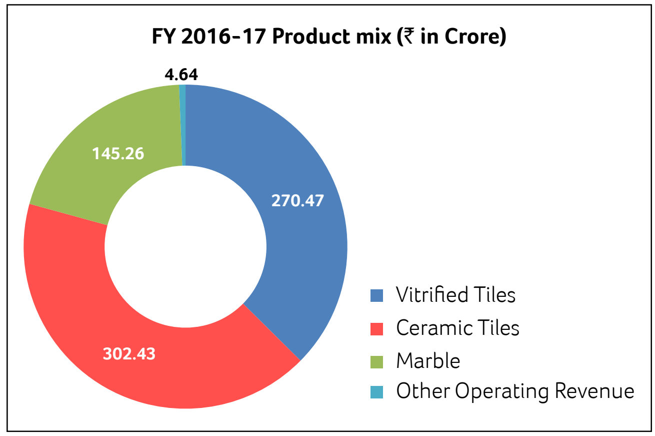
- NITCO successfully completed its surveillance audit for Integrated Management System (IMS)-[ISO 9001, 14001 and OHSAS] by TUV Nord in July 2017. The Auditors observed our management commitment and employee participation in quality systems as one of our key strengths in our journey to build the quality culture.
- A separate sales support team for demand generation was created to work on specifiers and industry influencers to enhance product recall and placement.
- Campus connect program was initiated at various management colleges across the country. Talented young MBA professionals of high caliber were evaluated on campus and selected as part of the year long Management trainee program.
- Each and every new joinee was inducted at Head Office. They were given training and familiarization of the corporate systems and policies. They also visited the manufacturing setup at Alibaug for greater understanding of products and process.
- Our plants at Alibaug and Silvassa conducted regular training programs to upskill our factory employees towards increased and improved productivity.
- Sales teams and support functions were trained to handle business environment and policy changes like GST
- The 4 year wage settlement agreement was signed with the workmen's Union at Alibaug plant ensuring a continued cordial and productive work environment at the plant.

Financial review

Due to challenging environment, NITCO's Income from operation has declined from ₹ 722.80 crores in 2016-17 to ₹ 605.73 crores in 2017-18.

The Product Mix for last 2 years:





EBITDA & Expense

Despite reduction in income from operation, the Company achieved positive EBITDA of ₹ 5.27 crores in FY 2017-18 against an EBITDA of ₹ 8.40 crores in FY2016-17. The various expenses head for FY 2017-18 and FY 2016-17 and a percentage of Total Revenue are as follows:

(₹ in Lakh)

Particulars	2017 - 18	% of Total Revenue	2016 – 17	% of Total Revenue
Material Cost	38,769.13	63.87%	47,649.36	65.80%
Employee Benefits expense	7,844.03	12.92%	7,638.32	10.55%
Excise Duty	699.14	1.15%	2,721.54	3.76%
Other Manufacturing expense	6,025.37	9.93%	5,854.45	8.08%
Selling & Distribution expenses	3,614.04	5.95%	4,284.30	5.92%
Administration expense	3,218.70	5.30%	3,425.01	4.73%
Total expenses	**60,170.41**	**99.13%**	**71,572.98**	**98.84%**
EBITDA	527.40		840.26	

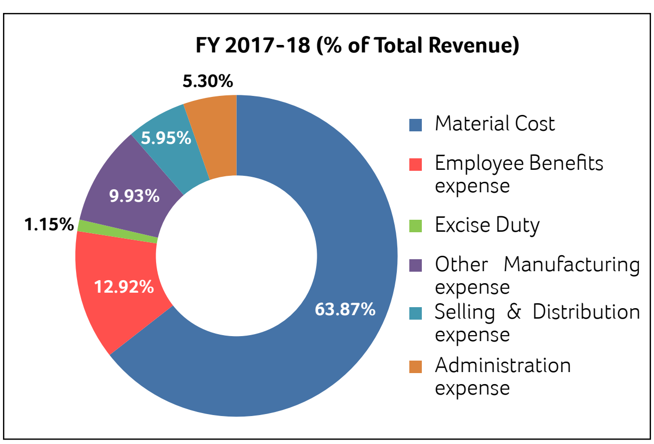
(i) Material Cost as a percentage to Total Revenue has decreased by 1.93 percentage points as compared to FY 2016-17

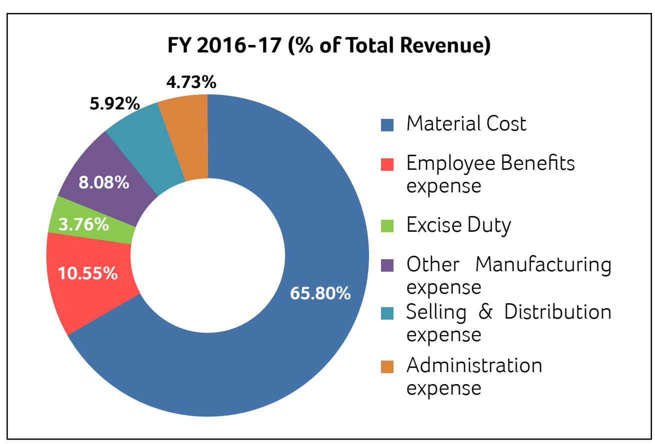
(ii) Employee Benefit Expense has increased by 2.69% in FY2017-18 due to drop in sales as compared to FY 2016-17.

(iii) Other Manufacturing expense has reduced in FY2017-18 by 2.92% as compared to FY2016-17.

(iv) Selling & Distribution expense have reduced substantially in FY2017-18 by 15.64% as the Company has shifted to making direct sales from its factory wherein the freight cost is directly borne by the dealer.

(v) The Administrative expenses as percentage to revenue have increased due to drop in sales in FY2017-18. Administrative expenses have reduced by 6.02% due to various cost cutting measures undertaken by the Company.





Finance costs

JM Financial Asset Reconstruction Company Limited (JMFARC) has acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from Cut-Off date February 28, 2018. Based on such sanction letter, the Company has provided interest in the books of accounts. Further, the Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiations no further adjustments have been made during the current financial year.

Equity share capital:

During the year, 70,07,709 fully paid up Equity shares of face value of ₹ 10/- each at a premium of ₹ 104.16 amounting to ₹ 8,000.00 Lakh has been issued to JMFARC. Further, The Company issued 61,31,745 Convertible Warrants at an issue price of ₹ 114.16 per warrant to JMFARC. At the option of the warrant holder, each warrant will be converted into one Equity Share of the face value of ₹ 10/- each fully paid-up at a premium of ₹ 104.16 within a period of 18 months from the date of allotment of Warrants. As per applicable regulations, 25% of the aggregate value of the warrants amounting to ₹ 1,750.00 Lakh has been received by the Company. The Company issued 1,01,51,908 equity shares of face value of ₹ 10 each at par to JMFARC upon conversion of a loan of ₹ 1575.42 lakh. The Company's equity share capital is stands at ₹ 7,185.90 Lakh, Share Warrants at ₹ 1,750.00 Lakh as of March 31, 2018.

Borrowings:

The total debt of the Company is as under:

(₹ in Lakh)

Particulars	2017-18	2016-17
Long term borrowings	81,397.79	45,702.23
Current maturity shown under "Current Liabilities"	3,626.03	72,280.05
Shown term borrowings	-	11,357.41
Total Debt	**85,023.82**	**1,29,339.69**

The debt has reduced due to restructuring of debt sanctioned by JMFARC during the year.

Working Capital

a) Inventory has reduced from ₹ 17,565.44 Lakh in 2016-17 to ₹ 14,427.88 Lakh in 2016-17;

b) Inventory – Real Estate has reduced from ₹ 17,972.77 Lakh in 2016-17 to 15,575.65 Lakh in 2016-17;

c) Trade receivables have increased from ₹ 14,005.31 Lakh in 2016-17 to ₹ 18,118.89 Lakh in 2017-18;

d) Trade payables have reduced from ₹ 15,742.69 Lakh in 2016-17 to ₹ 15,101.45 Lakh in 2017-18.

Capital Expenditure

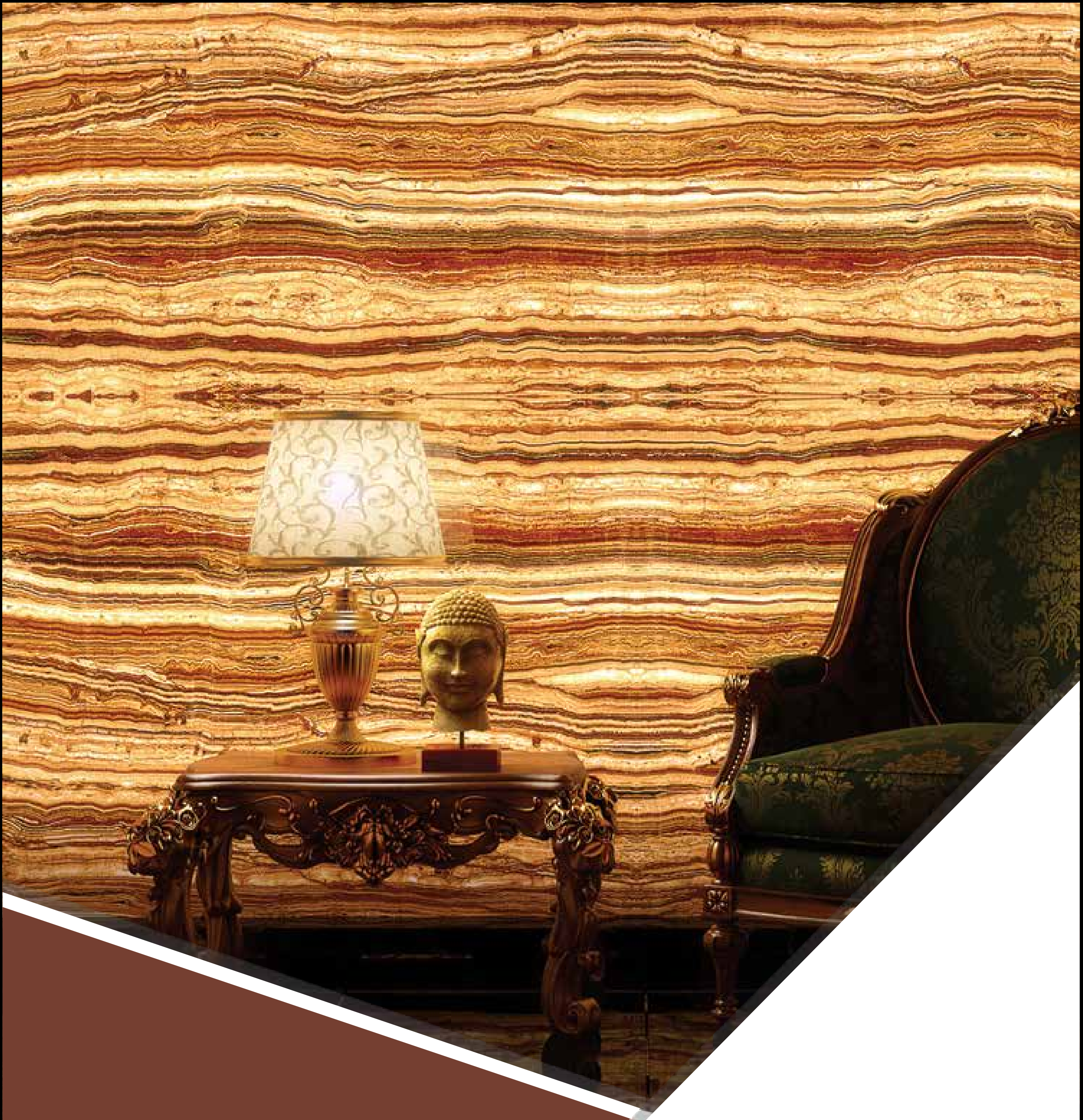
Need based Capital Expenditure was incurred during the year which has resulted in Gross Block increasing by ₹ 397.55 Lakh.

Risk Management

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

Risk	Mitigation
Industry risk An economic downturn could impact construction, real estate and infrastructure segments, impacting the Company's business.	The Government's 'Make-in-India' drive, 'Housing-for-all by 2022', 'Swachh Bharat Abhiyaan', 'Smart Cities Mission' covering 100 cities in 5 years is expected to generate a volume-driven growth resulting in economies of scale. The Company has emerged as a one-stop shop for tile solutions, providing floor as well as wall tiles and marble. Metros and urban cities are majorly hit by an economic deceleration while in recent times a majority of the demand for consumer products is emerging from Tier-II and Tier-III locations, which usually remains largely unaffected by economic slowdowns. Thus, as a precautionary measure, the Company strengthened its distribution network in new demand pockets.
Fuel cost risk Rising gas prices could impact profitability.	The Company entered into a long-term supply agreement with GAIL for supplying RLNG, a cheaper and cleaner fuel. Continuously rising gas prices is completely beyond the Company's control. However towards minimizing this impact and offsetting the cost increases, the Company has made arrangements for using Coal gas at its Alibag Plant.
Competition risk Increasing competition can have an impact on margins.	The Company commands an edge over its competitors due to its brand equity and a high product recall earned over decades. Besides, Nitco's products are available across price spectrum to connect with a wider customer base. Strategic marketing activities have allowed to serve more customers and satisfy them with dedicated after-sales services. 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 Vitrified Private Limited, with a 51% stake. Propelled by the GST ecosystem, market share across product categories is expected to gradually shift in favour of large organised players.

Risk	Mitigation
Technology or software obsolescence risk Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.	The Company invested in SAP ERP module, scaling up its IT infrastructure across its sales, distribution and manufacturing divisions. Design technology will further be enhanced to further strengthen NITCO's aspirational brand position in the minds of the architect, builder, dealer and community in large.
Client attrition risk A substantial portion of the Company's total sales comes from retail clients. Hence, client attrition can impact both revenues and prospective growth.	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 Prestige, Brigade Group, JMC Group L&T Group, Reliance Group, Lodha Group, SJR Group, Tata Group, Shapoorji & Pallonji, Runwal Builders Pvt. Ltd. among others.
Human resource risk Attrition of key executives and personnel could affect the Company's growth prospects.	Nitco has appointed qualified and well-experienced personnel at key positions for better execution of processes and encourages employees to excel through proactive engagement activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.
Dealer attrition risk Dealers represent the Company's face to customers. Reduction in the number of dealers could affect sales and negate brand image.	The Company enhanced its dealer network through the introduction of new and innovative products, designs, patterns and textures. It widened the product basket, increasing dealer income prospects. The Company has introduced a fast-moving range of tiles, which has revitalised its distribution network.



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

As on March 31, 2018, the Company's Board consisted of four members including 3 Independent Directors. The Board is responsible for the management of the affairs of the Company's businesses.

(i) COMPOSITION

The details of composition and Directorship held in other companies / Board committees by each member of the Board of Directors of the Company as on March 31, 2018 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	15	-	-
2	Mr. Pradeep Saxena DIN: 00288321	Non- Executive and Independent Director	07	-	-
3	Mr. Sharath Bolar DIN: 07009701	Non- Executive and Independent Director	1	-	-
4	Mrs. Bharti Dhar DIN: 00442471	Non- Executive and Independent Director	1	-	-

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

(ii) DIRECTOR'S PROFILE

Mr. Vivek Talwar, son of Late Mr. Pran Nath Talwar and aged 61 years, is the Managing Director of your Company. He has a rich experience of over 37 years in the tile industry. He joined the Company as a Director in 1980. The operational responsibility and day-to-day functioning of the Company were gradually handed over to him. He was instrumental in setting up a plant at Alibaug to manufacture ceramic floor tiles and also in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate.

Mr. Pradeep Saxena, aged 70 years, joined the Company as Director in 2012. His career spans thirty one 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 67 years, joined the Company in the year 2014. Mr. Sharath Bolar has 37 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 in the year 2015. She is a 1986 batch Commerce graduate and a qualified Cost and Management Accountant. She has rich and varied experience of 28 years in the field of HR. Her long working career has given her exposure and deep insight to the functioning of Government as well as Corporate sector. Nineteen years back, she envisioned Vitasta Consulting Pvt. Ltd. as a professional HR services organization. She saw the need for creating a process driven, values based organisation that would be known for its professionalism. The organisation started as a one woman proprietary concern and has blossomed into a vibrant team of 40 young and dynamic professionals, most of them being women.

(iii) DETAILS OF SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2018

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	6	6	Yes
2	Mr. Pradeep Saxena	6	6	Yes
3	Mr. Sharath Bolar	6	6	No
4	Mrs. Bharti Dhar	6	6	No

Meetings of the Board of Directors were held on May 30, 2017, August 11, 2017, November 8, 2017, January 28, 2018, February 14, 2018 and March 7, 2018

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

(v) INDEPENDENT DIRECTORS 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 14, 2018.

(vi) EVALUATION CRITERIA

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

3. COMMITTEES OF THE BOARD

(i) Audit Committee

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

Section 177 of Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have expanded the terms of reference of the Audit Committee. The additional terms of reference for Audit Committee include:

(i) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(ii) approval or any subsequent modification of transactions of the Company with related parties;

(iii) scrutiny of inter-corporate loans and investments;

(iv) valuation of undertakings or assets of the Company, wherever it is necessary.

Meetings and Attendance

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

Meetings of the Audit Committee of the Board of Directors were held on May 30, 2017, August 11, 2017, November 8, 2017 and February 14, 2018.

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, 2018 is as follows:

Meetings and Attendance

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

Meetings of the Stakeholders Relationship Committee of Board of Directors were held on May 30, 2017, August 11, 2017, November 8, 2017 and February 14, 2018. All the complaints and requests received by the Company were resolved during the year under review. There were no complaints of Shareholders pending as on March 31, 2018.

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	Mrs. Bharti Dhar - Non-executive and Independent Director

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

Meetings and Attendance

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

No meetings of the Committee were held during the year under review.

(iv) Corporate Social Responsibility Committee

The Company has constituted CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and shall perform such other activities as may be required along with other regulatory provisions.

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, 2018 are as under:

(₹ in Lakh)

Sr. No.	Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
1	Mr. Vivek Talwar*	Managing Director	-	-	-	-	-
2	Mr. Pradeep Saxena	Independent Director	-	-	-	2.80	2.80
3	Mr. Sharath Bolar	Independent Director	-	-	-	2.80	2.80
4	Mrs. Bharti Dhar	Independent Director	-	-	-	1.80	1.80

*The Managing Director was not paid any salary during the year 2017-18.

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.

4. SUBSIDIARY COMPANIES

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

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

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

5. DISCLOSURES

(i) Related Party Transactions

In terms of the Indian Accounting Standard- Ind AS 24 "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. 37 to the Standalone Financial Statements forming part of this Annual Report.

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

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

(ii) Compliances by the Company

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

(iii) Code of Conduct for Directors and Senior Management

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

(iv) MD / CFO certification

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

(v) Accounting treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

(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

6. MEANS OF COMMUNICATION

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

7. SHAREHOLDER'S INFORMATION

(i) The **Annual General Meeting** is scheduled to be held on 18th September, 2018 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
2016-17	September 20, 2017	Wednesday	11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg,, Kala Ghoda, Mumbai – 400 001	Yes*
2015-16	September 21, 2016	Wednesday	11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg,, Kala Ghoda, Mumbai – 400 001	Yes#
2014-15	September 21, 2015	Friday	11.00 a.m.	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018	No

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

Adoption of new set of Articles of Association

(iv) Date of book closure: 12th September,2018 to 18th September,2018 (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 financial year 2018-19.

(vii) Stock code/symbol: BSE - 532722

NSE - NITCO

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

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

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

(ix) Market Price Data at BSE and NSE :

Month	**BSE**		**NSE**	
	High	**Low**	**High**	**Low**
April '17	73.10	57.45	73.40	57.20
May ' 17	73.90	60.50	73.70	60.30
June '17	77.90	60.35	77.95	60.40
July '17	80.35	65.30	80.50	65.25
August '17	75.50	57.00	75.45	57.00
September '17	109.50	73.50	109.40	73.00
October '17	101.50	86.95	101.65	86.75
November '17	93.75	79.85	93.85	80.05
December '17	128.60	88.75	128.80	88.90
January '18	140.90	103.20	140.75	103.65
February '18	142.25	94.20	142.60	102.25
March '18	127.40	91.05	127.30	92.10

(x) Shareholding pattern as on March 31, 2018:

Category	**No. of shares held**	**Percentage of total Shareholding**
(A) Promoter's holding		
Promoters & Promoters' group	38041107	52.94
Sub-total	**38041107**	**52.94**
(B) Public shareholding		
Institutions	18290347	25.45
Non-Institutions	15527501	21.61
Sub-total	**33817848**	**47.06**
Grand Total (A + B)	**71858955**	**100.00**

(xi) Distribution of shareholding as on March 31, 2018:

No. of equity shares	**No. of share holders**	**Percentage of Share holders**	**No. of shares held**	**Percentage of Share holding**
1 - 5000	14091	86.92	1768067	2.46
5001 - 10000	1027	6.33	856255	1.19
10001 - 20000	492	3.03	766229	1.07
20001 - 30000	171	1.05	436510	0.61
30001 - 40000	84	0.52	298830	0.42
40001 - 50000	73	0.45	347412	0.48
50001 - 100000	110	0.68	849525	1.18
100001 and above	164	1.02	66536127	92.59
Total	**16212**	**100.00**	**71858955**	**100.00**

The Company has issued 61,31,745 Convertible Warrants on preferential basis at an issue price of ₹ 114.16 per warrant inclusive of premium of ₹ 104.16 to JM Financial Asset Reconstruction Company Limited (JMFARC).

(xii) Transfer of Unclaimed / Unpaid Dividend:

The Company shall be transferring the unclaimed / unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund, established by the Central Government, in terms of the provisions of Section 125 of the Companies Act, 2013.

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

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

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

Securities	As on April 1, 2017		Shareholders who approached the Registrar and Shares transferred in their favour during the year		Balance as on March 31, 2018	
	No. of records	No. of shares	No. of records	No. of shares	No. of records	No. of shares
Equity Shares	01	785	-	-	01	785

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

(xiv) Nomination facility:

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

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

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

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

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

For and on Behalf of Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

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, 2018.

For Nitco Limited

Vivek Talwar
Chairman & Managing Director
DIN: 00043180
Mumbai, May 29, 2018

Auditor's Certificate on Corporate Governance

To
The Members
Nitco Limited

We have examined the compliance of conditions of Corporate Governance procedures implemented by NITCO Limited for the year ended March 31, 2018, as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, of the said Company with the stock exchanges of India.

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

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

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

For Nayak & Rane,
Chartered Accountants
FRN: 117249W

Kishore K. Rane
Partner
Membership No. 100788

Place: Mumbai
Date: May 29, 2018

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

To,
The Board of Directors
NITCO Limited

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vivek Talwar
Chairman & Managing Director

DIN: 00043180
Mumbai, May 29, 2018

B.G. Borkar
Chief Financial Officer

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of NITCO LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NITCO Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its financial performance (including Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

Other Matter

We refer to Note 45A of the financial results which describe the debt restructuring scheme entered into by the Company with JM Financial Assets Reconstruction Company Limited (JMFARC) and the resultant impact has been disclosed as an exceptional item. Our opinion is not modified in respect of this matter.

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31 March 2017 and 31 March 2016 prepared in accordance with the Companies(Accounting Standards) Rules, 2006 (as amended)which were audited by the predecessor auditor reports dated 30 May 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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, based on our audit we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
3. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 40(c) to the standalone Ind AS financial statements;
4. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
5. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
6. The disclosures regarding details of specified bank notes are not applicable to the Company for the year ended 31 March 2018.

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

Kishore K. Rane
Partner
M No:100788

Place : Mumbai
Date : 29 May 2018

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for one immoveable property which amounts to gross block of ₹ 145.66 Lakh and net block of ₹ 133.63 Lakh whose title deed is not held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements.

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

iii. According to the information and explanations given to us, The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Therefore the provisions of clause 3(iii),(iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.

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

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

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

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

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

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	30.64	From Assessment Year 1987 to Assessment Year 1997.	High Court Mumbai
The Income-tax Act, 1961	Income Tax	33.73	From Assessment Year 1987 to Assessment Year 1997(Penalty)	Commissioner of Income-tax

ix. According to the explanations and information given to us, the Company has defaulted in repayment of dues to a financial institutions and bank, the amount of default to LIC of India was ₹ 1,911.66 Lakh (period of default- 37 months) and DBS Bank was ₹ 244.60 Lakh (Period of default - 9 months).

With reference to the Debt Restructuring plan refer note 45A to the standalone financial statements, wherein, the Company's lenders (approx. 98%) assigned their debts to an asset reconstruction Company. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans, debentures and preference shares. Post successful restructuring, there would be write-off of part of the loans. Further, the Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiations no further adjustments have been made.

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

xi. 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

xii. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xiii. 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 is a Private limited and accordingly, the provisions of clause 3(xi) of the order are not applicable.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act..

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares or fully or partly convertible debentures and shares during the year. The requirements of Section 42 of the Companies Act have been complied with and the amount raised has been used for the purposes for which the funds were raised.

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

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

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

Kishore K. Rane
Partner
M No:100788

Place : Mumbai
Date : 29 May 2018

Annexure B to the Independent Auditor's Report

Referred to paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nitco Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, issued by 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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 authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31 March 2018, 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 issued by the ICAI.

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

Kishore K. Rane
Partner
M No:100788

Place : Mumbai
Date : 29 May 2018

BALANCE SHEET

as at 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	46,429.21	53,252.10	56,139.64
Capital work-in-progress		326.56	195.38	194.42
Intangible assets	4	9.41	41.80	73.39
Financial Assets				
Investments	5	2,735.36	2,735.36	2,735.36
Other Financial Assets	6	2,248.25	2,200.82	2,229.67
Other non-current assets	7	2,933.72	3,261.39	3,175.74
		54,682.51	**61,686.85**	**64,548.22**
Current assets				
Inventories	8	14,427.88	17,565.44	18,082.14
Inventories – Real Estate	9	15,575.65	17,972.77	17,959.09
Financial assets				
Trade receivables	10	18,118.89	14,005.31	15,436.15
Cash and cash equivalents	11	1,279.60	1,570.04	1,868.17
Other bank balances	12	4,851.01	1.01	1.34
Loans	13	9,042.42	17,195.52	17,191.57
Other financial assets	14	1,448.40	1,632.74	1,703.38
Other current assets	15	5,633.92	6,741.31	7,336.76
		70,377.77	**76,684.14**	**79,578.60**
Total Assets		**1,25,060.28**	**1,38,370.99**	**1,44,126.82**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	7,185.90	5,469.93	5,469.93
Share Warrants	17	1,750.00	-	-
Other equity	18	7,465.10	(18,891.55)	(15,659.19)
		16,401.00	**(13,421.62)**	**(10,189.26)**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	19	81,397.79	45,702.23	63,726.46
Provisions	20	189.96	182.67	236.09
Deferred tax liabilities	21	-	2,034.84	2,034.84
		81,587.75	**47,919.74**	**65,997.39**
Current liabilities				
Financial liabilities				
Borrowings	22	-	11,357.41	11,442.40
Trade payables	23	15,101.45	15,742.69	17,666.79
Other financial liabilities	24	4,471.65	73,468.31	56,131.83
Other current liabilities	25	7,178.50	3,126.55	2,893.08
Provisions	26	319.93	177.91	184.59
		27,071.53	**1,03,872.87**	**88,318.69**
Total Equity and Liabilities		**1,25,060.28**	**1,38,370.99**	**1,44,126.82**

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

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
INCOME			
Revenue From Operations	27	60,572.57	72,279.56
Other Income	28	125.24	133.68
Total Income		**60,697.81**	**72,413.24**
EXPENSES			
Cost of materials consumed	29	12,949.88	16,688.71
Purchase of stock-in-trade		23,470.10	31,456.05
Changes in inventories of finished goods, stock in trade and work-in-progress	30	2,349.15	(495.40)
Excise duty on sale of goods		699.14	2,721.54
Employee benefits expense	31	7,844.03	7,638.32
Finance costs	32	845.50	258.19
Depreciation and amortisation expense	33	7,245.87	3,798.44
Other expenses	34	12,858.11	13,563.76
Total Expenses		**68,261.78**	**75,629.61**
Profit before tax before exceptional items		**(7,563.97)**	**(3,216.37)**
Exceptional items	45	(24,786.41)	-
Profit before tax after exceptional items		**17,222.44**	**(3,216.37)**
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Excess provision of Tax for earlier years written back		(2,034.84)	-
Profit for the year		**19,257.28**	**(3,216.37)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans	35	(20.49)	(15.99)
Income tax effect on such items		-	-
Total Other Comprehensive Income for the year, net of tax		(20.49)	(15.99)
Total comprehensive income for the year, net of tax		**19,236.79**	**(3,232.36)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	36	34.43	(5.91)
(2) Diluted		34.43	(5.91)

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

In terms of our report of even date annexed
For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2018

A. Equity share capital

(₹ in Lakh)

Particulars	Amount
As at 1 April 2016	5,469.93
Changes during the year	-
As at 31 March 2017	**5,469.93**
Changes during the year	1,715.97
As at 31 March 2018	**7,185.90**

B. Share Warrants

(₹ in Lakh)

Particulars	Amount
As at 1 April 2016	-
Changes during the year	-
As at 31 March 2017	**-**
Changes during the year	1,750.00
As at 31 March 2018	**1,750.00**

C. Other equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Total equity
	Capital reserve	Share premium account	Capital redemption reserve	General reserve	Retained earnings / (Losses)	
As at 31 March 2017	**125.68**	**35,471.47**	**965.00**	**3,846.91**	**(59,300.61)**	**(18,891.55)**
Net income / (loss) for the year	-	-	-	-	19,257.28	19,257.28
Othercomprehensiveincome	-	-	-	-	(20.49)	(20.49)
Total comprehensive income	-	-	-	-	19,236.79	19,236.79
Share premium account	-	7,299.23	-	-	-	7,299.23
Share issue expenses	-	(179.37)	-	-	-	(179.37)
As at 31 March 2018	**125.68**	**42,591.33**	**965.00**	**3,846.91**	**(40,063.82)**	**7,465.10**

(₹ in Lakh)

Particulars	Reserves and Surplus					Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)	
As at 1 April 2016	**125.68**	**35,471.47**	**965.00**	**3,846.91**	**(56,068.25)**	**(15,659.19)**
Net income / (loss) for the year	-	-	-	-	(3,216.37)	(3,216.37)
Other comprehensive income	-	-	-	-	(15.99)	(15.99)
Total comprehensive income	-	-	-	-	(3,232.36)	(3,232.36)
As at 31 March 2017	**125.68**	**35,471.47**	**965.00**	**3,846.91**	**(59,300.61)**	**(18,891.55)**

In terms of our report of even date annexed
For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

CASH FLOW STATEMENT

for the year ended 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

	Year ended 31 March 2018		Year ended 31 March 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		17,201.95		(3,232.36)
Adjusted for :				
Depreciation & amortisation expense	7,245.87		3,798.44	
(Profit)/Loss on sale of Property, plant & equipment (Net)	9.87		5.63	
Interest received	(94.95)		(94.57)	
Finance costs	968.34		340.35	
Net unrealised exchanbe (gain)/loss	(27.89)	8,101.24	12.41	4,062.26
Operating Profit before Working Capital Changes		25,303.19		829.90
Working capital adjustments:				
Adjustment for (increase)/decrease:				
(Increase)/decrease in inventories	5,534.68		503.02	
(Increase)/decrease in trade and other receivables	8,957.38		2,036.52	
Increase/(decrease) in trade and other payables	3,068.07		(1,728.99)	
Increase/(decrease) in provisions	149.31	17,709.44	(60.10)	750.45
Cash Generated from Operations		43,012.63		1,580.35
Taxes paid (net of refunds)		-		-
Net Cash Flow from operating activities		**43,012.63**		**1,580.35**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(531.64)		(885.91)	
Net Cash Flow used in Investing Activities		**(531.64)**		**(885.91)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(decrease) in Share Capital	8,835.83		-	
Proceeds from Issue of Share warrants	1,750.00		-	
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(52,958.46)		(649.40)	
Proceeds/ (Repayment) of Short Term Borrowings (Net)	(11,357.41)		(84.99)	
Proceeds of Redeemable Non-Convertible Preference Shares	15,000.00		-	
Proceeds of Redeemable Non-convertible Debentures	5,000.00		-	
Advance to Subsidiary companies	(8,195.89)		0.01	
Interest Received	(94.95)		(94.57)	
Finance costs	968.34		340.35	
Net Cash Flow from / (Used in) Financing Activities		**(42,799.32)**		**(980.16)**

(Amount in Rupees Lakh, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Net increase in Cash and Cash Equivalents (A+B+C)	**(318.33)**	**(285.72)**
Cash and Cash Equivalents at the beginning of the year	1,570.04	1,868.17
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	27.89	(12.41)
Cash and Cash Equivalents at the end of the year	**1,279.60**	**1,570.04**

Notes :

1. Purchase of fixed assets represents net additions to property, plant and equipment and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment.
2. Cash and cash equivalents included in the Statement of cash flows comprise the following:

Components of cash and cash equivalents		
Cash on hand	2.98	3.55
Balance in current account and deposits with banks	1,276.62	1,566.49
Cash and Cash Equivalents at the end of the year	**1,279.60**	**1,570.04**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and compliance with Ind AS

a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first being prepared in accordance with Ind AS. The date of transition to Ind AS is 1 April 2016. As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time adoption of Indian Accounting Standards has been applied. Refer note "p" of significant accounting policies for the details of first-time adoption exemption availed by the Company.

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

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

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

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

Going Concern

Considering that the debts of the Company have been restructured by JMFARC on a sustainable basis and fresh infusion of funds by way of equity and convertible warrants, the management considers it appropriate to prepare its financial statements on a going concern basis.

Use of Estimates

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

2.2 Significant accounting policies

a. Property, Plant and Equipment (PPE)

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

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

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

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

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 equipment	SLM	5 years
Office equipment – 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

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

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

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

b. Leases

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

c. Inventories

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

d. Impairment of non-financial assets

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

e. Revenue recognition

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

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

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

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

f. Foreign currency transactions

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

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

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

g. Fair Value Measurement

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

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

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

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

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

h. Financial instruments

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

(a) Financial assets

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

i. **Initial recognition and measurement**

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

ii. **Subsequent measurement**

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

- **Financial assets carried at amortised cost**

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

- **Financial assets at fair value through Other Comprehensive Income**

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

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

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

iii. **Derecognition**

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

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

(b) Financial liabilities

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

i. **Initial recognition and measurement**

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

ii. **Subsequent measurement**

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

- **Financial liabilities at amortised cost**

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

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

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

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

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

iii. Derecognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

i. Employee Benefits

i. Short term employee benefits

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

ii. Long term employee benefits

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

iii. Post-employment benefit plan

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

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

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

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

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

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

j. Provisions and Contingencies

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

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

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

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

k. Taxes on Income

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

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

l. Finance Costs

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

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

m. Segment reporting

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

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

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

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

n. Earning per share

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

o. Cash flow statement

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

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

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

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

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

p. First time adoption of Ind AS

The Company has prepared the opening Balance Sheet as per Ind AS of 1 April 2016 (the transaction date) by recognizing all assets and liabilities whose recognisaiton is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company are as under.

1. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively. However, the Company has determined that significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

2. De-recognisation of financial assets and liabilities

The Company has applied the de-recognisation requirements of financial assets and liabilities prospectively for transactions occurring on or after 1 April 2016 (the transaction date).

3. Classification and measurement of financial assets

Financial assets received, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

4. Deemed Cost

Ind AS 101 permits a first – time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

5. Estimates

Ind AS estimates as at April 1, 2016 are consist with the estimates as at the same date made in conformity with previous GAAP.

6. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether a contract or agreement contain lease to determine whether an agreement existing at the transition date contains a lease on the basis of facts and circumstances existing at the date.

7. Investments in subsidiaries and associates

Ind AS 101 allows an entity to account for investment in subsidiaries and associates at cost or in accordance with Ind AS 109. The Company has opted to recognise these investments at cost

8. Past business combinations

The Company has opted to apply Ind AS 103, Business Combinations, prospectively.

9. Foreign Currency Monetary Items

In terms of para D13AA of Ind AS 101, the Company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The Company has elected to apply the same.

3. Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Total Assets
Cost									
As at 1 April 2016	5,891.19	19,538.39	1,100.17	54,447.09	1,032.19	2,456.94	3,680.54	792.19	88,938.70
Additions	112.38	-	35.42	693.56	-	6.42	-	28.69	876.47
Disposals	-	0.99	21.27	-	-	-	-	24.51	46.77
As at 31 March 2017	**6,003.57**	**19,537.40**	**1,114.32**	**55,140.65**	**1,032.19**	**2,463.36**	**3,680.54**	**796.37**	**89,768.40**
Additions	-	157.13	27.58	127.37	1.52	47.04	-	36.91	**397.55**
Disposals	-	-	32.95	8.67	-	4.15	-	83.65	**129.42**
As at 31 March 2018	**6,003.57**	**19,694.53**	**1,108.95**	**55,259.35**	**1,033.71**	**2,506.25**	**3,680.54**	**749.63**	**90,036.53**
Depreciation									
As at 1 April 2016	-	6,367.25	949.13	20,627.62	750.17	1,611.98	1,889.71	603.20	**32,799.06**
Depreciation charge for the year	-	803.53	89.98	2,292.52	81.31	287.38	151.36	54.89	**3,760.97**
Disposals	-	-	20.40	-	-	-	-	23.33	**43.73**
As at 31 March 2017	**-**	**7,170.78**	**1,018.71**	**22,920.14**	**831.48**	**1,899.36**	**2,041.07**	**634.76**	**36,516.30**
Depreciation charge for the year	-	1,804.20	43.04	4,741.09	95.02	310.27	151.36	65.50	**7,210.48**
Disposals	-	-	32.87	6.74	-	3.73	-	76.12	**119.46**
As at 31 March 2018	**-**	**8,974.98**	**1,028.88**	**27,654.49**	**926.50**	**2,205.90**	**2,192.43**	**624.14**	**43,607.32**
Net book value :									
As at 31 March 2018	**6,003.57**	**10,719.55**	**80.07**	**27,604.86**	**107.21**	**300.35**	**1,488.11**	**125.49**	**46,429.21**
As at 31 March 2017	**6,003.57**	**12,366.62**	**95.61**	**32,220.51**	**200.71**	**564.00**	**1,639.47**	**161.61**	**53,252.10**
As at 1 April 2016	**5,891.19**	**13,171.14**	**151.04**	**33,819.47**	**282.02**	**844.96**	**1,790.83**	**188.99**	**56,139.64**

Notes:

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

II. The Company has reviewed the useful life of certain assets and consequently depreciation for the year is increased by ₹ 3,519.87 Lakh

4. Intangible assets (Computer Software)

(₹ in Lakh)

	Amount
Cost	
As at 1 April 2016	419.72
Additions	2.88
Disposals	-
As at 31 March 2017	**422.60**
Additions	-
Disposals	-
As at 31 March 2018	**422.60**
Amortisation	
As at 1 April 2016	346.33
Amortisation charge for the year	34.47
Disposals	-
As at 31 March 2017	**380.80**
Amortisation charge for the year	32.39
Disposals	-
As at 31 March 2018	**413.19**
Net book value :	
As at 31 March 2018	**9.41**
As at 31 March 2017	**41.80**
As at 1 April 2016	**73.39**

5. Investments

(₹ in Lakh)

	As at 31 March 2018	**As at 31 March 2017**	**As at 1 April 2016**
Investments in subsidiaries			
(a) Investments in equity shares (unquoted)			
Nitco Realities Private Limited: 2,00,000 (31 March 2017 : 2,00,000, 1 April 2016 : 2,00,000) Equity shares of ₹ 1 each fully paid up	694.59	694.59	694.59
Nitco Holdings HK Co. Ltd. 10,000 (31 March 2017 : 10,000, 1 April 2016 : 10,000) Equity shares	0.64	0.64	0.64
New Vardhman Vitrified Private Limited: 1,27,50,000 (31 March 2017 : 1,27,50,000, 1 April 2016 : 1,27,50,000) Equity shares of ₹ 10 each fully paid up	1,561.35	1,561.35	1,561.35
	2,256.58	**2,256.58**	**2,256.58**
(b) Investments in preference shares (unquoted)			
New Vardhman Vitrified Private Limited: 47,87,763 (31 March 2017 : 47,87,763, 1 April 2016 : 47,87,763) Equity shares of ₹ 10 each fully paid up	478.78	478.78	478.78
Total	**478.78**	**478.78**	**478.78**
Aggregate value of unquoted investments	**2,735.36**	**2,735.36**	**2,735.36**

6. Other financial assets

(₹ in Lakh)

	As at 31 March 2018	**As at 31 March 2017**	**As at 1 April 2016**
Balances with Banks - Held as Margin Money	2,239.40	2,192.30	2,221.16
Security Deposits	8.85	8.52	8.51
Total	**2,248.25**	**2,200.82**	**2,229.67**

7. Other non-current assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income Tax Payment (Net)	1,652.60	1,590.35	1,506.87
Capital Advances	1,147.49	1,534.41	1,529.23
Prepaid Lease rental	133.63	136.63	139.64
Total	**2,933.72**	**3,261.39**	**3,175.74**

8. Inventories

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw Materials	2,535.88	3,086.32	4,139.51
Work-in-progress	364.94	381.30	213.31
Finished Goods	10,486.68	12,229.33	11,730.61
Stock in trade	149.92	743.53	914.84
Stores and spares	890.46	1,124.96	1,083.87
Total	**14,427.88**	**17,565.44**	**18,082.14**

During the year the Company has written down the value of certain obsolete, slow-moving and old inventories by ₹ 2,381.38 Lakh

9. Inventories – Real Estate

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Land at Kanjurmarg	15,000.00	15,000.00	15,000.00
Biz Park at Thane	575.65	2,972.77	2,959.09
Total	**15,575.65**	**17,972.77**	**17,959.09**

10. Trade receivables

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables - Unsecured			
Considered good	18,118.89	14,005.31	15,436.15
Considered doubtful	693.13	583.38	543.81
	18,812.02	**14,588.69**	**15,979.96**
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	(693.13)	(583.38)	(543.81)
Total	**18,118.89**	**14,005.31**	**15,436.15**

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

(₹ in Lakh)

	Amount
Balance as at 1 April 2016	**543.81**
Add : Created during the year	213.73
Less : Released during the year	(174.16)
Balance as at 31 March 2017	**583.38**
Add : Created during the year	132.55
Less : Released during the year	(22.80)
Balance as at 31 March 2018	**693.13**

11. Cash and cash equivalents

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
On current accounts	1,276.62	1,566.49	1,847.72
Cash on hand	2.98	3.55	20.45
Total	**1,279.60**	**1,570.04**	**1,868.17**

12. Other bank balances

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with Banks - Earmarked for Unpaid Dividend	1.01	1.01	1.34
Fixed Deposits with Banks	4,850.00	-	-
Total	**4,851.01**	**1.01**	**1.34**

13. Loans

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to Related Parties - refer note 37 (c)			
Unsecured, Considered Good	8,980.09	17,175.98	17,175.97
Other Loans & Advances			
Unsecured, Considered Good	62.33	19.54	15.60
Total	**9,042.42**	**17,195.52**	**17,191.57**

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

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

(₹ in Lakh)

	Loans Outstanding as at			Maximum amount outstanding during the year ended on		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Nitco Realties Pvt. Limited	7,038.22	15,234.11	15,234.10	15,234.12	15,234.11	15,234.10
New Vardhman Vitrified Pvt. Ltd.	1,941.87	1,941.87	1,941.87	1,941.87	1,941.87	1,941.87

14. Other financial assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security Deposits	1,413.76	1,572.26	1,643.61
Others (Unsecured considered good unless otherwise stated)	34.64	60.48	59.77
Total	**1,448.40**	**1,632.74**	**1,703.38**

15. Other current assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with statutory authorities	3,026.82	3,819.57	3,678.52
Advances for supply of goods and rendering of services	2,230.72	1,813.63	2,128.52
Prepaid expenses/Other receivables	209.28	720.19	777.10
Other Assets	167.10	387.92	752.62
Total	**5,633.92**	**6,741.31**	**7,336.76**

16. Equity share capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	₹ inLakh	Nos.	₹ inLakh	Nos.	₹ inLakh
Authorised:						
Equity Shares:						
Equity shares of ₹ 10/- each	8,00,00,000	8,000.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Preference Shares:						
Redeemable Preference Shares of ₹10 each	15,00,00,000	15,000.00	-	-	-	-
Issued, Subscribed and Paid-up						
Equity Shares:						
Equity shares of ₹ 10/- each	7,18,58,955	7,185.90	5,46,99,338	5,469.93	5,46,99,338	5,469.93
Total	**7,18,58,955**	**7,185.90**	**5,46,99,338**	**5,469.93**	**5,46,99,338**	**5,469.93**

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

(₹ in Lakh)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the year	5,46,99,338	5,469.93	5,46,99,338	5,469.93	5,46,99,338	5,469.93
Issued during the year	1,71,59,617	1,715.97	-	-	-	-
Outstanding at the end of the year	7,18,58,955	7,185.90	5,46,99,338	5,469.93	5,46,99,338	5,469.93

During the year, following equity shares were issued by the Company.

1. Conversion of principal loan outstanding of ₹ 15.75 crs payable to Tata Capital Financial Services Limited (assigned to JMFARC) into 1,01,51,908 equity shares of the Company of face value of ₹ 10 each at par. The balance amount of the loan was waived.
2. Fresh issue of 70,07,709 fully paid up Equity shares at face value ₹ 10/- each at a premium of ₹ 104.16 allotted to JMFARC

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

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class
JM Financial Asset Reconstruction Company Ltd.	17159617	23.88%	-	-	-	-
Aurella Estates And Investments Pvt. Ltd.	25676949	35.73%	25676949	46.94%	25676949	46.94%
Vivek Prannath Talwar	6323669	8.80%	6323669	11.56%	6323669	11.56%

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

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

17. Share warrants

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6131745 Warrants (convertible into Equity) of ₹ 10/- each 25% paidup (31 March 2017: NIL, 1 April 2016: NIL)	1,750.00	-	-
Total	**1,750.00**	**-**	**-**

Issue of 6131745 Convertible Warrants (the "Warrants") at an issue price of ₹ 114.16 per warrant, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of ₹ 10/- each fully paid-up at a premium of ₹ 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. 25% of the consideration of total the Warrants issued, was payable to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% will be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such warrant.

18. Other equity

(₹ in Lakh)

		Amount
a)	**Capital Reserve**	
	As at 1 April 2016	125.68
	Changes during the year	-
	As at 31 March 2017	**125.68**
	Changes during the year	-
	As at 31 March 2018	**125.68**
b)	**Securities Premium Reserve**	
	As at 1 April 2016	35,471.47
	Changes during the year	-
	As at 31 March 2017	**35,471.47**
	Changes during the year	7,119.86
	As at 31 March 2018	**42,591.33**
c)	**Capital Redemption Reserve**	
	As at 1 April 2016	965.00
	Changes during the period	-
	As at 31 March 2017	**965.00**
	Changes during the period	-
	As at 31 March 2018	**965.00**

(₹ in Lakh)

		Amount
d)	**General Reserve**	
	As at 1 April 2016	3,846.91
	Changes during the period	-
	As at 31 March 2017	**3,846.91**
	Changes during the period	-
	As at 31 March 2018	**3,846.91**
e)	**Retained Earnings**	
	As at 1 April 2016	**(56,068.25)**
	Profit/(Loss) for the year 2016-17	(3,232.36)
	Less: Transfer to general reserve	-
	As at 31 March 2017	**(59,300.61)**
	Profit/(Loss) for the year 2017-18	19,236.79
	Less: Transfer to general reserve	-
	As at 31 March 2018	**(40,063.82)**
	Total other equity	
	As at 31 March 2018	**7,465.10**
	As at 31 March 2017	**(18,891.55)**
	As at 1 April 2016	**(15,659.19)**

19. Borrowings

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Redeemable Non-Convertible Preference Shares (refer note-i below)	15,000.00	-	-
Redeemable Non-convertible Debentures (refer note-ii below)	5,000.00	-	-
Term Loan			
From Banks / Financial Institutions	-	4,773.23	9,011.91
From Others	61,365.62	40,853.64	54,581.97
Long term maturities of finance lease	32.17	75.36	132.58
Total	**81,397.79**	**45,702.23**	**63,726.46**

i. 15,00,00,000 fully paid Redeemable Non-Convertible Preference Shares of ₹ 10/- each at par amounting to ₹ 15,000.00 lakh issued by the Company during the year. Preference Shares shall carry dividend at the rate of 0.1% per annum. The outstanding principal of Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date 28 February 2018 (refer note 45 A).

ii. 500 fully paid Secured Redeemable Non-convertible Debentures of Face Value of ₹ 10,00,000 each amounting to ₹ 5,000.00 lakh issued by the Company during the year. The Debenture shall carry interest rate of 5% per annum and shall be redeemed at the end of 10 years from the effective date (refer note 45 A).

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

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

19.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakh)

Type of loan	Loan outstanding as on 31.3.2018			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company Limited							
Term loans Facility 1 (secured)	19,737.59	400.00	20,137.59	20,000.00	9%	20 structured quarterly installments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company • Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company • Pledge of shares held by promoters in Nitco Limited and six associate companies • Pledge of shares held by Aurella Estate & Investments Pvt. Ltd. in Nitco Limited, shares held by Nitco Realties Pvt. Ltd. in one of its subsidiary Company and shares held by Nitco Limited in New Vardhman Vitirfied Pvt. Ltd. • Negative lien on Non-Core Assets of the Company • Personal guarantee of Promoter Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/associate companies
Term loans Facility 2 (secured)	27,595.88	1,000.00	28,595.88	30,000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	
Others	14,032.15	-	14,032.15	14,032.15	-	The loan will be settled after fulfillment of certain conditions.	
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.1%	Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date 28 February 2018.	
Redeemable Non-convertible Debentures	5,000.00	19.11	5,019.11	5,000.00	5%	The Debenture shall be redeemed at the end of 10 years from the effective date.	
Total (A)	**81,365.62**	**1,419.11**	**82,784.73**				
Term loans not assigned to JM Financial Assets Reconstruction Company Limited							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67		11.25%	32 structured quarterly installments commencing from 30 June 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters.
Loan from Financial institutions - FITL	-	244.98	244.98		10.75%	24 structured quarterly installments commencing from 30 June 2014 as prescribed in approved CDR package	
Term loan from Bank	-	244.60	244.60		3M LIBOR Plus 2.60 %	12 structured quarterly installments commencing from 31 March 2015.	Pari passu charge on Silvassa Plant and guaranteed by promoters
Vehicle Loans	32.17	50.67	82.84			Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying Company owned vehicles.
Total (B)	**32.17**	**2206.93**	**2239.09**				
Grand TOTAL (A+B)	**81,397.79**	**3,626.04**	**85,023.82**				

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

20. Provisions

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits	189.96	182.67	236.09
Total	**189.96**	**182.67**	**236.09**

21. Income taxes

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities (Net)	-	2,034.84	2,034.84
Total	**-**	**2,034.84**	**2,034.84**

Excess provision of Deferred Tax liability (provided in earlier years) of ₹ 2,034.84 Lakh was reversed during the year. In view to accumulated losses, no provision for tax has been made for the year.

22. Borrowings (Short Term)

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loan repayable on demand (Secured)			
From Banks	-	11,357.41	11,442.40
Total	**-**	**11,357.41**	**11,442.40**

23. Trade payables

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total outstanding dues of micro and small enterprises	1,249.51	1,103.43	686.03
Total outstanding dues of creditors other than micro and small enterprises	13,851.94	14,639.26	16,980.76
Total	**15,101.45**	**15,742.69**	**17,666.79**

I. Others include acceptances and employee compensation payable.

II. Disclosure with respect to related party transactions is given in note 37.

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

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due and remaining unpaid	1,249.51	1,103.43	686.03
- Interest due and unpaid on the above amount	-	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable	-	-	-

24. Other financial liabilities

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term debt	3,626.03	72,280.05	54,905.22
Deposits received	786.05	1,137.11	1,118.92
Amount payable to capital creditors	58.56	50.14	106.35
Unclaimed dividends	1.01	1.01	1.34
Total	**4,471.65**	**73,468.31**	**56,131.83**

25. Other current liabilities

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for excise duty on closing stock	-	621.53	635.92
Other payable	7,178.50	2,505.02	2,257.16
Total	**7,178.50**	**3,126.55**	**2,893.08**

Consequent to GST implementation and adoption of Ind AS, the Company has charged off pending input tax credits including giving effect to appellate orders of ₹ 4,470.31 Lakh.

26. Provisions

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for Leave Encashment	82.34	53.27	85.73
Provision for Gratuity	237.59	124.64	98.86
Total	**319.93**	**177.91**	**184.59**

27. Revenue from operations

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of Products		
Tiles	57,337.69	71,816.44
Real estate	2,958.81	-
	60,296.50	**71,816.44**
Other operating revenues		
Labour charges	181.29	135.51
Lease rental	40.24	254.49
Other operating income	54.54	73.12
	276.07	463.12
Total	**60,572.57**	**72,279.56**

28. Other income

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Rent Received	35.92	41.27
Miscellaneous income	89.32	92.41
Total	**125.24**	**133.68**

29. Cost of material consumed

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Body Material	1,404.97	3,275.63
Glaze Material	1,919.03	1,736.47
Marble blocks/slabs	6,213.99	10,662.66
Packing Material	993.95	1,013.95
Others (Real Estate)	2,417.94	-
Total	**12,949.88**	**16,688.71**

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

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Stock in Trade - Opening	743.53	914.84
Stock in Trade - Closing	149.92	743.53
	593.61	**171.31**
Work in Progress - Opening	381.30	213.31
Work in Progress - Closing	364.94	381.30
	16.36	**(167.99)**
Finished Goods (Mfg.) - Opening	12,229.33	11,730.61
Finished Goods (Mfg.) - Closing	10,490.15	12,229.33
	1,739.18	**(498.72)**
Total Change in Inventories	**2,349.15**	**(495.40)**

31. Employee benefits expense

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and amenities	7,187.58	6,978.29
Contribution to provident fund and other funds	435.68	438.14
Staff welfare expenses	220.77	221.89
Total	**7,844.03**	**7,638.32**

32. Finance costs

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on debt and borrowings	788.35	146.04
Other financial charges	85.04	99.74
Applicable net (gain)/loss on foreign currency transactions and translation	(27.89)	12.41
Total	**845.50**	**258.19**

JMFARC has restructured 98% of the Company's debt on sustainable basis vide their sanction letter dated 23 January 2018. Based on the sanction received from JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation no further adjustments have been made (refer note 45 A).

33. Depreciation and amortisation expense

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 3)	7,210.48	3,760.97
Amortisation of intangible assets (refer note 4)	32.39	34.47
Amortisation of other assets	3.00	3.00
Total	**7,245.87**	**3,798.44**

34. Other expenses

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Other Manufacturing Expenses		
Power and fuel	4,582.96	3,976.72
Consumption of stores and spare parts	888.75	1,378.58
	5,471.71	**5,355.30**
Repairs and Maintenance		
Buildings	47.72	25.79
Machinery	224.16	267.53
Others Repais & Maintenance	281.78	205.83
	553.66	**499.15**
Administrative Expenses		
Rent Rates and Taxes	786.32	1,095.27
Electricity Charges Office & Depot	134.76	132.43
Processing Charges Mosaico/Marble	144.72	161.04
Water Charges	9.52	9.26
Postage and Telephone	161.44	150.46
Printing and Stationery	17.89	21.70
Insurance	147.83	179.77
Legal and Professional Fees	276.25	237.36
Travelling & Conveyance Expenses	948.74	829.41
Audit Fees	14.35	34.13
Hire Charges	182.23	190.87
Security Charges	122.38	142.64
Miscellaneous Expenses	272.27	240.67
	3,218.70	**3,425.01**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	1,497.82	1,796.57
Freight Forwarding & Distribution Expenses	1,657.87	1,958.43
C&F Charges	299.85	510.56
Provision for Doubtful Debts	52.41	18.31
Bad Debts	106.09	0.43
	3,614.04	**4,284.30**
Total	**12,858.11**	**13,563.76**

35. Components of Other Comprehensive Income (OCI)

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

During the year ended 31 March 2018

(₹ in Lakh)

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

During the year ended 31 March 2017

(₹ in Lakh)

	Retained Earnings	Total
Remeasurement gains/(losses) on defined benefit plans	(15.99)	(15.99)
Income tax effect	-	-
Total	**(15.99)**	**(15.99)**

36. Earnings per share (EPS)

(₹ in Lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit/ (Loss) for the year	19,236.79	(3,232.36)
Equity shares at the beginning of the year (nos.)	5,469.93	5,469.93
Equity shares issued during the year	700.77	-
Equity shares at the end of the year (nos.)	6,170.70	5,469.93
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	558.75	546.99
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	558.75	546.99
Earnings per share-basic (face value of ₹ 10/- each) (₹)	34.43	(5.91)
Earnings per share-diluted (face value of ₹ 10/- each) (₹)	34.43	(5.91)

37. Related party disclosures as required by Ind AS 24 "Related Party Disclosures" are given below:

(A) List of related parties

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

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries		
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Subsidiaries				
New Vardhman Vitrified Pvt. Ltd.	India	51	51	51
Nitco Realties Private Limited	India	100	100	100
Nitco Holdings HK Company Limited	Hong Kong	100	100	100
Fellow Subsidiaries				
Maxwealth Properties Pvt. Ltd.	India	100	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100	100
Feel Better Housing Pvt. Ltd.	India	100	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100	100
Opera Properties Pvt. Ltd.	India	100	100	100
Ferocity Properties Pvt. Ltd.	India	100	100	100
Glamorous Properties Pvt. Ltd.	India	75	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100	100
Nitco Aviation Pvt. Ltd.	India	100	100	100
Aileen Properties Pvt. Ltd.	India	100	100	100

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

Entity having significant influence over the Company

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar – Chairman & Managing Director

Key Management Personnel (KMP)

Mr. Vivek Talwar – Chairman & Managing Director

Mr. Pradeep Saxena

Mr. Sharath Padmanabh Bolar

Mrs. Bharti Pradeep Dhar

Post - employment benefit plans

Nitco Limited Employees Group Gratuity Schemes

Nitco Tiles Ltd. Superannuation Fund

Relative of Key Management Personnel (KMP)

Anjali Talwar – Wife

Rohan Talwar - Son

Poonam Talwar - Sister

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

Eden Garden Builders Pvt. Ltd.

Enjoy Builders Pvt. Ltd.

Lavender Properties Pvt. Ltd.

Prakalp Properties Pvt. Ltd.

Rang Mandir Builders Pvt. Ltd.

Usha Kiran Builders Pvt. Ltd.

Saisha Trading LLP

IB Hospitality Pvt. Ltd.

Glamorous Properties Pvt. Ltd.

Watco Trading Pvt. Ltd.

Watco Engineering Pvt. Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

(B) Transactions with related parties

(₹ in Lakh)

Transactions	Year ended 31 March 2018					Year ended 31 March 2017				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Sale of Goods										
Poonam Talwar			19.66		19.66			6.27		6.27
Other Income										
Nitco Holdings HK Company Ltd.	5.22				5.22	-				-
Purchase of Traded Goods										
New Vardhman Vitrified Pvt. Ltd.	13,890.16				13,890.16	13,513.05				13,513.05
Power & fuel expenses										
Saisha Trading LLP			394.71		394.71			388.83		388.83
Other Expenses										
IB Hospitality Pvt. Ltd.			14.37		14.37			25.92		25.92
Compensation Key Managerial Personnel										
Vivek Talwar Short-term employee benefits (including bonuses and value of perquisites)		-			-		48.40			48.40
Post-employment benefits		-			-		2.10			2.10
Directors Sitting Fees										
Pradeep Saxena		2.80			2.80		2.35			2.35
Sharath Padmanabh Bolar		2.80			2.80		2.35			2.35
Bharti Pradeep Dhar		1.80			1.80		1.35			1.35

Transactions with related parties (contd.)

(₹ in Lakh)

Transactions	Year ended 31 March 2018					Year ended 31 March 2017				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Rent Paid										
Eden Garden Builders Pvt. Ltd.			3.18		3.18			3.18		3.18
Enjoy Builders Pvt. Ltd.			4.37		4.37			4.37		4.37
Lavender Properties Pvt. Ltd.			3.16		3.16			3.16		3.16
Prakalp Properties Pvt. Ltd.			3.02		3.02			3.02		3.02
Rang Mandir Builders Pvt. Ltd.			4.18		4.18			4.18		4.18
Usha Kiran Builders Pvt. Ltd.			3.16		3.16			3.16		3.16
Rent Received										
Saisha Trading LLP			2.81		2.81			2.76		2.76
Loans & Advances returned/Adjusted										
Nitico Realties Pvt. Ltd.	8,195.89				8,195.89	0.01				0.01
Aurella Estate & Investment Pvt. Ltd.			788.00		788.00			-		-
Loans & Advances Received										
Aurella Estate & Investment Pvt. Ltd.			788.00		788.00			-		-
Interest on loans paid/ payable										
Aurella Estate & Investment Pvt. Ltd.			8.08		8.08			-		-
Contributions made										
Nitco Limited Employees Group Gratuity Schemes				1.91	1.91				65.66	65.66
Nitco Tiles Ltd. Superannuation Fund				6.63	6.63				6.34	6.34

(C) Balances outstanding as at the year end

(₹ in Lakh)

Transactions	As at 31 March 2018					As at 31 March 2017					As at 1 April 2016				
	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total
Amount Receivable/(Payable)															
Nitco Realties Private Limited	7,038.22				7,038.22	15,234.11				15,234.11	15,234.10				15,234.10
New Vardhman Vitrified Pvt. Ltd.	1,941.87				1,941.87	1,941.87				1,941.87	1,941.87				1,941.87
Eden Garden Builders Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
Enjoy Builders Pvt. Ltd.			205.00		205.00			205.00		205.00			205.00		205.00
Lavender Properties Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
Prakalp Properties Pvt. Ltd.			145.00		145.00			145.00		145.00			145.00		145.00
Rang Mandir Builders Pvt. Ltd.			200.00		200.00			200.00		200.00			200.00		200.00
Usha Kiran Builders Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
Saumya Buildcon Pvt. Ltd.			995.99		995.99			995.99		995.99			995.99		995.99
Poonam Talwar			15.12		15.12			5.46		5.46			(0.81)		(0.81)
Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd.			1.00		1.00			1.00		1.00			(2.00)		(2.00)
New Vardhman Vitrified Pvt. Ltd.	(1,707.18)				(1,707.18)	(2,383.73)				(2,383.73)	(3,479.61)				(3,479.61)
Eden Garden Builders Pvt. Ltd.			(13.21)		(13.21)			(10.60)		(10.60)			(9.33)		(9.33)
Enjoy Builders Pvt. Ltd.			(21.42)		(21.42)			(17.82)		(17.82)			(14.32)		(14.32)
Lavender Properties Pvt. Ltd.			(17.01)		(17.01)			(14.41)		(14.41)			(11.88)		(11.88)
Prakalp Properties Pvt. Ltd.			(15.62)		(15.62)			(13.13)		(13.13)			(10.96)		(10.96)
Rang Mandir Builders Pvt. Ltd.			(22.61)		(22.61)			(19.17)		(19.17)			(15.83)		(15.83)
Usha Kiran Builders Pvt. Ltd.			(16.85)		(16.85)			(14.25)		(14.25)			(12.01)		(12.01)
Saisha Trading LLP			(394.58)		(394.58)			(341.25)		(341.25)			(346.31)		(346.31)
IB Hospitality Pvt. Ltd.			(0.01)		(0.01)			-		-			-		-
Pradeep Saxena		(0.27)			(0.27)		-			-		-			-
Sharath Padmanabh Bolar		(0.27)			(0.27)		-			-		-			-
Bharti Pradeep Dhar		(0.27)			(0.27)		-			-		-			-

Transactions	As at 31 March 2018					As at 31 March 2017					As at 1 April 2016				
	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total
Glamorous Properties Pvt. Ltd.			(0.02)		(0.02)			(0.02)		(0.02)			(0.02)		(0.02)
Watco Trading Private Limited			(115.70)		(115.70)			(115.70)		(115.70)			(115.70)		(115.70)
Watco Engineering Pvt. Ltd.			(23.40)		(23.40)			(23.40)		(23.40)			(18.75)		(18.75)
Nitco Sales Corporation Delhi			(0.02)		(0.02)			(0.02)		(0.02)			(0.02)		(0.02)
Nitco Tiles Sales Corporation			(0.23)		(0.23)			(0.23)		(0.23)			(0.23)		(0.23)
Northern India Tiles Sales Corporation			(1.73)		(1.73)			(1.73)		(1.73)			(1.73)		(1.73)
Nitco Limited Employees Group Gratuity Schemes				(237.60)	(237.60)				(124.64)	(124.64)				(98.86)	(98.86)
Nitco Tiles Ltd. Superannuation Fund				-	-				-	-				-	-
Investments															
Nitco Realities Pvt. Ltd.	694.59				694.59	694.59				694.59	694.59				694.59
Nitco Holdings HK Co. Ltd.	0.64				0.64	0.64				0.64	0.64				0.64
New Vardhman Vitrified Pvt. Ltd.	2,040.13				2,040.13	2,040.13				2,040.13	2,040.13				2,040.13

38. Employee benefit plans

a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company's contribution to the provident fund, superannuation fund and national pension scheme is ₹ 333.13 Lakh for the year ended 31 March 2018 (31 March 2017 ₹ 315.81 Lakh)

b) Defined benefit Plan

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

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at 31 March 2018 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

A. Movements in present value of defined benefit obligation

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Defined benefit obligation at the beginning of the year	724.56	657.82	609.21
Current service cost	74.63	67.80	66.61
Interest Expense or Cost	49.23	50.94	47.45
Past Service Cost	14.38	-	-
Benefits paid	(62.80)	(68.86)	(53.71)
Actuarial (gain)/ loss	20.82	16.86	(11.74)
Defined benefit obligation at the end of the year	820.82	724.56	657.82

B. Movements in the fair value of plan assets

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Fair value of plan assets at the beginning of the year	599.92	558.95	554.33
Investment income	40.77	43.30	43.17
Contribution by employer	1.91	65.66	15.13
Benefits paid	(59.74)	(68.86)	(53.68)
Expected Interest Income on plan assets	0.36	0.87	-
Fair value of plan assets at the end of the year	583.22	599.92	558.95

C. Amount recognized in the Balance Sheet

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Fair value of plan assets	820.82	724.56	657.82
Defined benefit obligation	583.22	599.92	558.95
Net Asset/ (Liability) recognised in the Balance Sheet	(237.60)	(124.64)	(98.87)
Effects of Asset Ceiling, if any	-	-	-
Amount recognised in the Balance Sheet	(237.60)	(124.64)	(98.87)

D. Amount recognised in Statement of Profit and Loss:

(₹ in Lakh)

	31 March 2018	31 March 2017
Current service cost	74.63	67.80
Past service cost	14.38	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8.46	7.65
Amount recognised in Statement of Profit and Loss	97.47	75.45

E. Amount recognised in Other Comprehensive Income:

(₹ in Lakh)

	31 March 2018	31 March 2017
Actuarial changes arising from changes in demographic assumptions	7.96	2.63
Actuarial changes arising from changes in financial assumptions	(12.01)	26.46
Experience adjustments	21.81	(12.23)
Return on plan assets, excluding amount recognized in net interest expense	2.73	(0.87)
Amount recognised in Other Comprehensive Income	20.49	15.99

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

Gratuity	31 March 2018	31 March 2017	1 April 2016
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	100%	100%	100%

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

	31 March 2018	31 March 2017	1 April 2016
Discount rate (per annum)	7.20%	6.80%	7.75%
Salary growth rate (per annum)	5.00%	5.00%	5.00%
Retirement age	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees

H. A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

(₹ in Lakh)

Particulars	31 March 2018	31 March 2017
Defined Benefit Obligation (Base)	724.56	820.82

Gratuity Plan	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	752.77	698.36	846.91	796.30
(% change compared to base due to sensitivity)	3.9%	(3.6%)	3.2%	(3.0%)
Salary Growth Rate (- / + 1%)	698.78	751.53	795.84	846.78
(% change compared to base due to sensitivity)	(3.6%)	3.7%	(3.0%)	3.2%
Attrition Rate (- / + 50% of attrition rates)	700.32	734.50	792.93	831.50
(% change compared to base due to sensitivity)	(3.3%)	1.4%	(3.4%)	1.3%
Mortality Rate (- / + 10% of mortality rates)	724.48	724.64	820.75	820.89
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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

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

(₹ in Lakh)

	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	261.88	192.50
Between 2 and 5 years	531.82	456.30
Between 6 and 10 years	197.47	213.90
Beyond 10 years	59.91	107.20

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

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

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

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

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

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

A. Business Segment:

(₹ in Lakh)

Particulars		As at 31 March 2018	As at 31 March 2017
1	**Net Sales / Income from operations**		
	- Tiles and other related products	57,573.51	72,025.07
	- Real estate	2,999.06	254.49
	Total Revenue	**60,572.57**	**72,279.56**
2	**Segment results**		
	- Tiles and other related products	(7,234.68)	(3,124.63)
	- Real estate	516.21	166.45
	Total Segment Profit/(Loss)	**(6,718.47)**	**(2,958.18)**
	Interest and other financial cost	(845.50)	(258.19)
	Exceptional items	24,786.41	-
	Profit /(Loss) Before Tax	**17,222.44**	**(3,216.37)**
	Other Comprehensive Income	(20.49)	(15.99)
	Total Comprehensive Income	**17,201.95**	**(3,232.36)**
	Provision for Current tax/ Deferred Tax	(2,034.84)	-
	Profit /(Loss) After Tax	**19,236.79**	**(3,232.36)**

(₹ in Lakh)

		Segment Asset		Segment Liabilities	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
3	**Capital Employed**				
	- Tiles and other related products	84,258.90	92,692.21	19,035.82	17,652.09
	- Real estate	26,909.38	36,900.89	156.93	201.36
	- Unallocated/ Corporate	13,892.00	8,777.89	4,252.75	2,380.85
	Total Capital Employed	**1,25,060.28**	**1,38,370.99**	**23,445.50**	**20,234.30**

B. Geographical Segment :

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

(₹ in Lakh)

Particulars	India		Rest of the world		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Segment revenue	58,908.77	70,497.39	1,663.80	1,782.17	60,572.57	72,279.56
Carrying cost of Segment assets	1,24,739.53	1,38,229.19	320.75	141.80	1,25,060.28	1,38,370.99
Addition of fixed assets	397.55	876.47	-	-	397.55	876.47

40. Commitments & Contingencies

(a) Leases

(i) Operating Lease

The Company have entered into a long term lease agreement for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31 March 2018 aggregating ₹ 133.62 (31 March 2017 - ₹ 136.63 Lakh, 1 April 2016 - ₹ 139.64 Lakh) is included in other non-current assets.

ii) Finance Leases

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

For net carrying amount of assets acquired under finance lease as at 31 March 2018, refer note 3 Property, Plant and Equipment.

Maturity profile of finance lease obligations are as under :

(₹ in Lakh)

Particualrs	Outstanding as at		Future Interest		Future Obligations	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
With one year	50.67	33.53	2.64	1.75	53.31	35.28
later than one year and not later than five years	32.17	75.35	8.61	30.31	40.77	105.66
After five year	-	-	-	-	-	-
Total	**82.84**	**108.88**	**11.25**	**32.06**	**94.08**	**140.94**

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31 March 2018 are ₹ 17.76 Lakh (31 March 2017 - ₹ 11.33 Lakh, 1 April 2016 - ₹ 84.56 Lakh).

(c) Contingent Liabilities

(₹ in Lakh)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a)	Bank Guarantee given by the Company	480.37	4,497.05	3,751.85
b)	Demands against the Company not acknowledged as debts and not provided for against			
	i. Excise Duty	-	2,020.28	2,006.65
	ii. Custom Duty	-	345.37	751.57
	iii. Penalty levied by DGFT, Delhi (refer to note (ii) below)	16,980.00	16,980.00	16,980.00
	iv. Sales Tax	-	1,287.46	1,196.46
	v. Demand order for unearned income (refer to note (iii) below)	5,105.88	5,105.88	5,105.88
c)	Income tax	64.36	64.36	64.36
d)	Legal matters	110.34	110.34	111.52

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹ 170 crore for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The Company has been advised that the order is bad in law and accordingly will agitate the matter before the appropriate forum. No provision has been made in the accounts for the same.

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

41. Capital Management

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

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

(₹ in Lakh)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Debt#	A	85,023.82	1,29,339.69	1,30,074.08
Cash & cash equivalent	B	6,130.61	1,571.05	1,869.51
Net Debt	C=(A-B)	78,893.21	1,27,768.64	1,28,204.57
Equity	D	16,401.00	(13,421.62)	(10,189.26)
Net Debt to Equity ratio	E=(C/D)	4.81	(9.52)	(12.58)

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

Improved capital gearing ratio reflects increase in equity on account of net profits during the year.

42. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(₹ in Lakh)

	31 March 2018		31 March 2017		1 April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:						
Cash and cash equivalents (refer note 11)	1,279.60	1,279.60	1,570.04	1,570.04	1,868.17	1,868.17
Bank Balances (refer note 12)	4,851.01	4,851.01	1.01	1.01	1.34	1.34
Trade Receivables (refer note 10)	18,118.89	18,118.89	14,005.31	14,005.31	15,436.15	15,436.15
Loans (refer note 13)	9,042.42	9,042.42	17,195.52	17,195.52	17,191.57	17,191.57
Other Financial Assets (refer note 5, 6 & 14)	3,696.65	3,696.65	3,833.56	3,833.56	3,933.05	3,933.05
Total	**36,988.57**	**36,988.57**	**36,605.44**	**36,605.44**	**38,430.28**	**38,430.28**
Financial assets at fair value through Statement of Profit and Loss	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:						
Trade Payables (refer note 23)	15,101.45	15,101.45	15,742.69	15,742.69	17,666.79	17,666.79
Other Financial Liabilities (refer note 24)	845.62	845.62	1,188.26	1,188.26	1,226.61	1,226.61
Borrowings (refer note 19, 22 & 24)	85,023.82	85,023.82	1,29,339.69	1,29,339.69	1,30,074.08	1,30,074.08
Total	**1,00,970.89**	**1,00,970.89**	**1,46,270.64**	**1,46,270.64**	**1,48,967.48**	**1,48,967.48**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil	Nil	Nil

43. Financial risk management objectives:

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

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

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

i. Foreign currency risk:

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

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

(₹ in Lakh)

	% Change in foreign currency rate	Effect on profit /(Loss) before tax					Total
		Exposure in INR					
		USD	EUR	GBP	AED	AUD	
As at 31 March 2018	+5%	(16.47)	7.06	-	(0.92)	0.40	(9.93)
	-5%	16.47	(7.06)	-	0.92	(0.40)	9.93
As at 31 March 2017	+5%	1.50	(8.98)	(0.10)	-	-	(7.58)
	-5%	(1.50)	8.98	0.10	-	-	7.58
As at 1 April 2016	+5%	(22.27)	(5.14)	-	-	-	(27.41)
	-5%s	22.27	5.14	-	-	-	27.41

ii. Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Fixed Rate Borrowings	82,816.90	-	-
Floating Rate Borrowings	2,206.92	1,29,339.69	1,30,074.08
Total Borrowing	**85,023.82**	**1,29,339.69**	**1,30,074.08**

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2018 would decrease/increase by ₹ 11.03 lakh (for the year ended 31 March 2017: decrease/ increase by ₹ 646.70 Lakh)

iii. Credit risk

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

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

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.	4,480.05	3,189.10	2,805.48
Other trade receivables	13,638.84	10,816.21	12,630.67
	18,118.89	**14,005.31**	**15,436.15**

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at 31 March 2018 on account of carrying amount of loans /advances /deposit, trade and other receivables and guarantees is disclosed in note 13 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelating parties is minimised as the Company deals only with reputed parties.

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

iv. Liquidity risk

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

Liquidity table:

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

(₹ in Lakh)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total	Carrying Amount
Year ended 31-Mar-18							
Borrowings	2,156.25	1,469.78	14,669.76	32,695.88	34,032.15	85,023.82	85,023.82
Trade payables	-	15,101.45	-	-	-	15,101.45	15,101.45
Other financial liabilities	787.06	58.56	-	-	-	845.62	845.62
Total	**2,943.31**	**16,629.79**	**14,669.76**	**32,695.88**	**34,032.15**	**1,00,970.89**	**1,00,970.89**
Year ended 31-Mar-17							
Borrowings	11,357.41	72,313.58	35,585.99	10,082.71	-	1,29,339.69	1,29,339.69
Trade payables	-	15,742.69	-	-	-	15,742.69	15,742.69
Other financial liabilities	1,138.12	50.14	-	-	-	1,188.26	1,188.26
Total	**12,495.53**	**88,106.41**	**35,585.99**	**10,082.71**	**-**	**1,46,270.64**	**1,46,270.64**
As at 1 April 2016							
Borrowings	11,442.40	72,905.06	35,643.43	10,083.19	-	1,30,074.08	1,30,074.08
Trade payables	-	17,666.79	-	-	-	17,666.79	17,666.79
Other financial liabilities	1,120.26	106.35	-	-	-	1,226.61	1,226.61
Total	**12,562.66**	**90,678.20**	**35,643.43**	**10,083.19**	**-**	**1,48,967.48**	**1,48,967.48**

44. Research and development expenditure

(₹ in Lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment)	119.63	138.97	132.02
Capital expenditure	-	0.26	15.23

45. Exceptional items

A. Debt Restructuring

a. JM Financial Asset Reconstruction Company Limited (JMFARC)

i. In the earlier years, the Company's lenders (approx. 98%) assigned their debts of ₹ 1,24,032.15 Lakh to an asset reconstruction Company. During the current financial year, based on the Techno Economic Viability (TEV) study conducted by MITCON and its findings thereof, the debt of the Company was required to be restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Accordingly a restructuring plan was drawn followed by a business plan reviewed by a reputed financial and tax consultancy firm. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans, debentures and preference shares. Post successful restructuring, there would be write-off of part of the loans (for the current year, write-off was ₹ 40,000 lakhs)

ii. The Company issued 1,01,51,908 equity shares of face value of ₹ 10 each at par to JMFARC upon conversion of a loan of ₹ 1,575.42 lakh.

iii. The Company issued 15,00,00,000 fully paid Redeemable Non-Covertible Preference Shares of ₹ 10/- each at par amounting to ₹ 15,000.00 lakh during the year.

iv. The Company issued 500 fully paid secured redeemable Non-convertible Debentures of Face Value of ₹ 10,00,000 each amounting to ₹ 5,000.00 lakh during the year.

v. For the current year, the Company has recognized loan waiver of ₹ 40,560.23 Lakh (i & ii above) and has also reversed the interest amounting to ₹ 8,195.90 Lakh receivable from its wholly owned subsidiary. The net amount of ₹ 32,364.33 Lakh has been shown under exceptional item.

b. Further, the Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiations no further adjustments have been made.

B. Write down of the value of certain obsolete, slow-moving and old inventories ₹ 2,381.38 Lakh

C. Consequent to GST implementation and adoption of Ind AS, the Company has charged off pending input tax credits including giving effect to appellate orders ₹ 4,470.31 Lakh.

D. The Company has reviewed current assets and consequently written off as one time charge ₹ 726.23 Lakh.

46. Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2.2 "Significant accounting policies note – "p" have been applied in preparing the financial statements for the year ended 31 March 2018 and the comparative period information.

For all periods upto and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013(Previous GAAP)

The transition to Ind AS was carried out in accordance with Ind AS 101, with 1 April 2016 being the date of transition. Following note explains how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows.

(a) Reconciliation of equity between Ind AS and previous GAAP:

(₹ in Lakh)

	As at 31 March 2017	**As at 1 April 2016**
Total Equity as per previous GAAP	(13,421.62)	(10,189.26)
- Impact of transition to Ind AS	-	-
Total Equity as per Ind AS	(13,421.62)	(10,189.26)

(b) Reconciliation of total comprehensive income between Ind AS and previous GAAP:

(₹ in Lakh)

	Year ended 31 March 2017
Net Profit / (Loss) as per previous GAAP	**(3,232.36)**
Re-measurement cost of net defined benefit liability	15.99
Net Profit as per Ind AS	(3,216.37)
Other Comprehensive Income (Net of Tax)	(15.99)
Total Comprehensive Income as per Ind AS	**(3,232.36)**

Notes to first time adoption

The following explains the material adjustments made during transition from previous GAAP to Ind AS:

1. Loans and advances given to subsidiary companies

In the financial statements prepared under previous GAAP, the carrying value of Interest free loan given was recognised at the principal amounts receivable by the lender. Interest free loans given and security deposits are repayable on demand and hence these are recorded at carrying value which is equal to transaction price on initial recognition.

2. Impact on Statement of Cash Flows

   The Ind AS adjustments are non-cash adjustments. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March 2016 as compared with the previous GAAP.

3. Other Comprehensive Income

   Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit & loss to profit or profit & loss as per Ind AS. Further, previous GAAP profit & loss is reconciled to total comprehensive income as per Ind AS.

4. Re-classification

   The Company has reclassified previous year figures to conform to Ind AS classification.

In terms of our report of even date annexed		**For and on behalf of the Board**	
For **Nayak & Rane** Chartered Accountants FRN No. 117249W	**Vivek Talwar** Chairman & Managing Director (DIN: 00043180)	**Pradeep Saxena** Director (DIN:00288321)	**Sharath Bolar** Director (DIN: 07009701)
Kishore K. Rane Partner Membership No.: 100788 Mumbai, 29 May 2018	**Bharati Dhar** Director (DIN: 00442471)	**Bhaskar Borkar** Chief Financial Officer	**Puneet Motwani** Company Secretary (ACS No: 38530)

INDEPENDENT AUDITOR'S REPORT

To the Members of Nitco Limited (Holding Company)

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Nitco Limited ("the Holding Company") and its subsidiary companies (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement 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 (including Other Comprehensive Income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 31 March 2018, its consolidated profit (including Other Comprehensive Income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matter

a) We refer to note no 45A of the consolidated financial results which describe the debt restructuring scheme entered into by the Holding Company with JM Financial Assets Reconstruction Company Limited (JMFARC) and the resultant impact has been disclosed as an exceptional item.

b) The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening Balance Sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31 March 2017 and 31 March 2016 prepared in accordance with the Companies(Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor reports dated 30 May 2017 and 30 May 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us. Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter

c) We did not audit the financial statements of fourteen subsidiaries whose financial statements reflects total assets aggregating ₹ 26,286.19 Lakh and liabilities aggregating ₹ 21,529.73 Lakh as at 31 March 2018, income aggregating 12,887.69 Lakh and expenses ₹ 13,988.70 Lakh for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

d) We did not audit the financial statements of one subsidiary incorporated outside India whose total assets aggregating 5.39 Lakh, liabilities aggregating Nil as at 31 March 2018, income aggregating ₹ Nil and expenses ₹ 0.33 Lakh for the year then ended, as considered in the consolidated financial statements. These financial statements have not been audited and have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS 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 Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies which are incorporated in India, as on 31 March 2018 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   1. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group refer note 40c to the consolidated Ind AS financial statements;
   2. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
   3. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2018; and
   4. The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For Nayak & Rane
Chartered Accountants
Firm Registration No: 117249W

Kishore K. Rane
Partner
Membership No: 100788

Place : Mumbai
Date : 29 May 2018

Annexure A to the Independent Auditor's Report

Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to in the Independent Auditor's Report to the members of the Company on the Consolidated Ind AS financial statements for the year ended 31 March 2018, we report the following:

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Nitco Limited ("the Company" or "the Holding Company") and its subsidiary companies which are incorporated in India as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 Company's Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies', 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 on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies', which are incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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 authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, the Holding Company and its Subsidiary Companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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, in so far as it relates to fourteen subsidiary companies which companies are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Nayak & Rane
Chartered Accountants
Firm Registration No: 117249W

Kishore K. Rane
Partner
Membership No: 100788

Place : Mumbai
Date : 29 May 2018

CONSOLIDATED BALANCE SHEET

as at 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	54,474.59	62,040.33	66,025.84
Capital work-in-progress		428.66	297.48	296.48
Goodwill on consolidation	4	323.77	323.77	323.73
Intangible assets		9.84	42.42	73.46
Financial Assets				
Investments	5	25.15	25.15	25.15
Other Financial Assets	6	2,248.24	2,200.79	2,229.68
Other non-current assets	7	2,933.72	3,261.98	3,175.74
		60,443.97	**68,191.92**	**72,150.08**
Current assets				
Inventories	8	16,543.06	20,003.34	19,949.49
Inventories – Real Estate	9	19,395.44	29,980.39	29,966.32
Financial assets				
Trade receivables	10	20,261.10	15,019.98	15,683.51
Cash and cash equivalents	11	1,806.29	2,080.02	2,458.00
Other bank balances	12	4,851.01	1.01	1.34
Loans	13	3,912.85	3,919.91	3,917.03
Other financial assets	14	1,625.23	2,408.01	2,505.54
Other current assets	15	5,931.27	6,942.38	7,532.29
		74,326.25	**80,355.04**	**82,013.52**
Total Assets		**1,34,770.22**	**1,48,546.96**	**1,54,163.60**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	7,185.90	5,469.93	5,469.93
Share Warrants	17	1,750.00	-	-
Other equity	18	7,586.60	(18,401.98)	(15,049.54)
Non-controlling interest		1,700.28	2,113.27	2,132.24
		18,222.78	**(10,818.78)**	**(7,447.37)**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	19	82,156.90	47,036.11	66,198.24
Provisions	20	189.96	182.67	236.09
Deferred tax liabilities	21	135.24	2,427.51	2,327.73
		82,482.10	**49,646.29**	**68,762.06**
Current liabilities				
Financial liabilities				
Borrowings	22	1,525.03	12,923.22	13,020.47
Trade payables	23	16,614.47	16,635.21	18,240.76
Other financial liabilities	24	6,474.09	76,493.60	58,203.66
Other current liabilities	25	9,088.98	3,482.36	3,192.19
Provisions	26	362.77	185.06	191.83
		34,065.34	**1,09,719.45**	**92,848.91**
Total Equity and Liabilities		**1,34,770.22**	**1,48,546.96**	**1,54,163.60**

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

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
INCOME			
Revenue from operations	27	61,701.75	74,486.50
Other Income	28	479.20	187.08
Total Income		**62,180.95**	**74,673.58**
EXPENSES			
Cost of materials consumed	29	18,149.56	22,264.32
Purchase of stock-in-trade		11,957.53	20,215.02
Changes in inventories of finished goods, stock in trade and work-in-progress	30	2,480.09	(862.60)
Excise duty on sale of goods		744.46	2,911.37
Employee benefits expense	31	8,289.90	8,125.08
Finance costs	32	1,385.53	830.97
Depreciation and amortisation expense	33	8,053.48	4,966.88
Other expenses	34	19,722.99	19,459.27
Total Expenses		**70,783.54**	**77,910.31**
Profit before tax before exceptional items		**(8,602.59)**	**(3,236.73)**
Exceptional items	45	(24,786.41)	-
Profit before tax after exceptional items		**16,183.82**	**(3,236.73)**
Tax expense:			
Current Tax		-	18.76
Deferred Tax		(257.42)	99.78
Excess provision of Tax for earlier years written back		(2,034.84)	-
Profit for the year		**18,476.08**	**(3,355.27)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans	35	(20.49)	(15.99)
Income tax effect on such items		-	-
Total Other Comprehensive Income, net of tax		**(20.49)**	**(15.99)**
Total comprehensive income for the period, net of tax		**18,455.59**	**(3,371.26)**
Profit for the year attributable to:			
Owners of the Company		18,889.07	(3,336.30)
Non-controlling interests		(412.99)	(18.97)
Other comprehensive income for the year attributable to:			
Owners of the Company		(20.49)	(15.99)
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		18,868.58	(3,352.29)
Non-controlling interests		(412.99)	(18.97)
Earnings per equity share (computed on the basis of profit for the year):		-	-
Basic & Diluted	36	33.77	(6.13)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2018

A. Equity share capital

(₹ in Lakh)

Particulars	Amount
As at 1 April 2016	**5,469.93**
Changes during the year	-
As at 31 March 2017	**5,469.93**
Changes during the year	1,715.97
As at 31 March 2018	**7,185.90**

B. Share Warrants

(₹ in Lakh)

Particulars	Amount
As at 1 April 2016	**-**
Changes during the year	-
As at 31 March 2017	**-**
Changes during the year	1,750.00
As at 31 March 2018	**1,750.00**

C. Other equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive income		Total equity
	Capital reserve	Share premium account	Capital redemption reserve	General reserve	Retained earnings / (Losses)	Exchange differences on translating the financial statements of foreign operations	Other items of Other Comprehensive Income (Remeasurement of defined benefit obligations	
As at 31 March 2017	**325.66**	**35,471.47**	**966.00**	**3,846.91**	**(58,995.90)**	**(0.13)**	**(15.99)**	**(18,401.98)**
Net income / (loss) for the year	-	-	-	-	18,889.07	-	-	18,889.07
Other comprehensive income	-	-	-	-	-	-	(20.49)	(20.49)
Total comprehensive income	-	-	-	-	18,889.07	-	(20.49)	18,868.58
Share premium account	-	7,299.23	-	-	-	-	-	7,299.23
Share issue expenses	-	(179.37)	-	-	-	-	-	(179.37)
Impact of business combination	-	-	-	-	-	0.14	-	0.14
As at 31 March 2018	**325.66**	**42,591.33**	**966.00**	**3,846.91**	**(40,106.83)**	**0.01**	**(36.48)**	**7,586.60**

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive income		Total equity
	Capital reserve	Share premium account	Capital redemption reserve	General reserve	Retained earnings / (Losses)	Exchange differences on translating the financial statements of foreign operations	Other items of Other Comprehensive Income (Remeasurement of defined benefit obligations	
As at 1 April 2016	**325.68**	**35,471.47**	**966.00**	**3,846.91**	**(55,659.60)**	**-**	**-**	**(15,049.54)**
Net income / (loss) for the year	-	-	-	-	(3,336.30)	-	-	(3,336.30)
Other comprehensive income	-	-	-	-	-	-	(15.99)	(15.99)
Total comprehensive income	-	-	-	-	(3,336.30)	-	(15.99)	(3,352.29)
Impact of business combination (net)	(0.02)	-	-	-	-	(0.13)	-	(0.15)
As at 31 March 2017	**325.66**	**35,471.47**	**966.00**	**3,846.91**	**(58,995.90)**	**(0.13)**	**(15.99)**	**(18,401.98)**

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2018

(Amount in Rupees Lakh, unless otherwise stated)

		Year ended 31 March 2018		Year ended 31 March 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax		18,868.58		(3,352.29)
	Adjusted for :				
	Depreciation & amortisation expense	8,053.48		4,966.88	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	9.87		5.63	
	Interest received	(131.83)		(132.85)	
	Finance costs	1,508.37		913.13	
	Net unrealised exchange (gain)/loss	(27.89)	9,412.00	12.41	5,765.20
	Operating Profit before Working Capital Changes		28,280.58		2,412.91
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	14,045.23		(67.92)	
	(Increase)/decrease in trade and other receivables	(8,009.36)		1,291.07	
	Increase/(decrease) in trade and other payables	4,735.55		(575.27)	
	Increase/(decrease) in provisions	185.00	10,956.42	(60.19)	587.69
	Cash Generated from Operations		39,237.00		3,000.60
	Taxes paid (net of refunds)		(2,292.27)		99.78
	Net Cash Flow from operating activities		**36,944.73**		**3,100.38**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(596.21)		(957.00)	
	Net Cash Flow used in Investing Activities		**(596.21)**		**(957.00)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Increase/(decrease) in Share Capital	8,835.83		-	
	Proceeds from Issue of Share warrants	1,750.00		-	
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	(54,048.39)		(1,612.30)	
	Proceeds/ (Repayment) of Short Term Borrowings (Net)	(11,398.19)		(97.25)	
	Proceeds of Redeemable Non-Convertible Preference Shares	15,000.00		-	
	Proceeds of Redeemable Non-convertible Debentures	5,000.00		-	
	Increase/(decrease) in Minority interest	(412.99)		(18.97)	
	Increase/(decrease) in reserve on consolidation	0.14		(0.15)	
	Interest received	131.83		132.85	
	Finance costs paid	(1,508.37)		(913.13)	
	Net Cash Flow from/(Used In) Financing Activities		**(36,650.14)**		**(2,508.95)**

(Amount in Rupees Lakh, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Net increase in Cash and Cash Equivalents (A+B+C)	**(301.62)**	**(365.57)**
Cash and Cash Equivalents at the beginning of the year	2,080.02	2,458.00
Effect of exchange difference on restatement of foreign currency cash and cash equivalents	27.89	(12.41)
Cash and Cash Equivalents at the end of the year	**1,806.29**	**2,080.02**

Notes :

1. Purchase of fixed assets represents net additions to property, plant and equipment and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment.
2. Cash and cash equivalents included in the Statement of cash flows comprise the following:

Components of cash and cash equivalents		
Cash on hand	20.24	18.85
Balance in current account and deposits with banks	1,786.05	2,061.17
Cash and Cash Equivalents at the end of the year	**1,806.29**	**2,080.02**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
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Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of preparation and compliance with Ind AS

a. The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017. For all periods up to and including the year ended 31 March 2017, the Company prepared its consolidated financial statements in accordance with Indian GAAP including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended 31 March 2018 are the first being prepared in accordance with Ind AS. The date of transition to Ind AS is 1 April 2016. As these are the first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First Time adoption of Indian Accounting Standards has been applied. Refer note "p" of significant accounting policies for the details of first-time adoption exemption availed by the Company.

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

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

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

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

Going Concern

Considering that the debts of the Company have been restructured by JM Financial Asset Reconstruction Company Limited (JMFARC) on a sustainable basis and fresh infusion of funds by way of equity and convertible warrants, the management considers it appropriate to prepare its financial statements on a going concern basis.

Use of Estimates

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

2.2 Basis of consolidation

a. The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

b. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

c. The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

   Profit or loss and each component of Other Comprehensive Income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

d. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

e. The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

f. The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

2.3 Goodwill on consolidation

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at 31 March 2018	As at 31 March 2017
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd.	India	51	51
Nitco Realties Private Limited	India	100	100
Nitco Holdings HK Company Limited	Hong Kong	100	100
Fellow Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at 31 March 2018	As at 31 March 2017
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100

2.4 Significant accounting policies

a. Property, Plant and Equipment (PPE)

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

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

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

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

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 equipment	SLM	5 years
Office equipment – 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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss with other gains/(losses).

b. Leases

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

c. Inventories

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

d. Impairment of non-financial assets

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

e. Revenue recognition

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

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

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

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

f. Foreign currency transactions

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

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

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

g. Fair Value Measurement

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

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

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

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

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

h. Financial instruments

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

(a) Financial assets

The Company classifies financial assets as subsequently measured at amortized cost, fair value through Other Comprehensive Income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

i. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

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

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

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

- **Financial assets at fair value through Other Comprehensive Income:**

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

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

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

iii. Derecognition

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

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

(b) Financial liabilities

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

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

- **Financial liabilities at amortised cost**

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

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

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

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

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

iii. Derecognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

i. Employee Benefits

i. Short term employee benefits

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

ii. Long term employee benefits

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

iii. Post-employment benefit plan

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

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

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

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

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

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

j. Provisions and Contingencies

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

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

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

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

k. Taxes on Income

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

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

l. Finance Costs

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

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

m. Segment reporting

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

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

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

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

n. Earning per share

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

o. Cash flow statement

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

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

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

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

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

p. First time adoption of Ind AS

The Company has prepared the opening Balance Sheet as per Ind AS of 1 April 2016 (the transaction date) by recognizing all assets and liabilities whose recognisaiton is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company are as under.

1. **Impairment of financial assets:**

   The Company has applied the impairment requirements of Ind AS 109 retrospectively. However, the Company has determined that significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

2. **De-recognisation of financial assets and liabilities**

   The Company has applied the de-recognisation requirements of financial assets and liabilities prospectively for transactions occurring on or after 1 April 2016 (the transaction date).

3. **Classification and measurement of financial assets:**

   Financial assets received, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

4. **Deemed Cost**

   Ind AS 101 permits a first – time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

5. **Estimates**

   Ind AS estimates as at 1 April 2016 are consistant with the estimates as at the same date made in conformity with previous GAAP.

6. **Determining whether an arrangement contains a lease**

   The Company has applied Appendix C of Ind AS 17 determining whether a contract or agreement contain lease to determine whether an agreement existing at the transition date contains a lease on the basis of facts and circumstances existing at the date.

7. **Past business combinations**

   The Company has opted to apply Ind AS 103, Business Combinations, prospectively.

8. **Foreign Currency Monetary Items**

   In terms of para D13AA of Ind AS 101, the Company may continue to account for foreign exchange differences relating to long-term foreign currency monetary items as per previous IGAAP. The Company has elected to apply the same.

3. Property, Plant and Equipment

(₹ in Lakh)

Particulars	Freehold Land	Buildings	Office Equipment	Plant & Equipment	Electrical Installation	Furniture & Fixture	Windmill	Vehicles (finance lease)	Livestock	Total Assets
Cost										
As at 1 April 2016	5,945.07	20,809.96	1,155.27	65,314.56	1,041.44	2,505.11	3,680.54	907.69	104.61	1,01,464.25
Additions	112.38	-	36.47	750.43	2.83	6.42	-	28.69	9.30	946.52
Disposals	-	0.99	21.27	-	-	-	-	24.51	-	46.77
As at 31 March 2017	**6,057.45**	**20,808.97**	**1,170.47**	**66,064.99**	**1,044.27**	**2,511.53**	**3,680.54**	**911.87**	**113.91**	**1,02,364.00**
Additions	3.03	157.13	40.84	179.18	2.69	50.32	-	43.04	**-**	**476.23**
Disposals	-	-	32.95	8.67	-	4.15	-	83.65	**14.24**	**143.66**
As at 31 March 2018	**6,060.48**	**20,966.10**	**1,178.36**	**66,235.50**	**1,046.96**	**2,557.70**	**3,680.54**	**871.26**	**99.67**	**1,02,696.57**
Depreciation										
As at 1 April 2016	-	6,506.06	988.40	23,028.60	752.45	1,632.72	1,889.71	640.47	**-**	**35,438.41**
Depreciation charge for the year	-	844.81	98.78	3,390.91	82.46	290.90	151.36	69.84	**-**	**4,929.06**
Disposals	-	-	20.40	-	-	-	-	23.40	**-**	**43.80**
As at 31 March 2017	**-**	**7,350.87**	**1,066.78**	**26,419.51**	**834.91**	**1,923.62**	**2,041.07**	**686.91**	**-**	**40,323.67**
Depreciation charge for the year	-	1,845.35	48.73	5,481.55	96.31	313.96	151.36	80.50	**-**	**8,017.76**
Disposals	-	-	32.87	6.74	-	3.73	-	76.11	**-**	**119.44**
As at 31 March 2018	**-**	**9,196.22**	**1,082.64**	**31,894.32**	**931.22**	**2,233.85**	**2,192.43**	**691.30**	**-**	**48,221.99**
Net book value :										
As at 31 March 2018	**6,060.48**	**11,769.88**	**95.72**	**34,341.18**	**115.74**	**323.85**	**1,488.11**	**179.96**	**99.67**	**54,474.59**
As at 31 March 2017	**6,057.45**	**13,458.10**	**103.69**	**39,645.48**	**209.36**	**587.91**	**1,639.47**	**224.96**	**113.91**	**62,040.33**
As at 1 April 2016	**5,945.07**	**14,303.90**	**166.87**	**42,285.96**	**288.99**	**872.39**	**1,790.83**	**267.22**	**104.61**	**66,025.84**

Notes:

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

II. The Company has reviewed the useful life of certain assets and consequently depreciation for the year is increased by ₹ 3,519.87 Lakh.

4. Intangible assets

(₹ in Lakh)

	Goodwill on consolidation	Other intangible assets	Amount
Cost			
As at 1 April 2016	323.73	420.77	744.50
Additions	0.04	3.78	3.82
Disposals	-	-	-
As at 31 March 2017	**323.77**	**424.55**	**748.32**
Additions	-	0.14	0.14
Disposals	-	-	-
As at 31 March 2018	**323.77**	**424.69**	**748.46**
Amortisation			
As at 1 April 2016	-	347.31	347.31
Amortisation charge for the year	-	34.82	34.82
Disposals	-	-	-
As at 31 March 2017	**-**	**382.13**	**382.13**
Amortisation charge for the year	-	32.72	32.72
Disposals	-	-	-
As at 31 March 2018	**-**	**414.85**	**414.85**
Net book value :			
As at 31 March 2018	**323.77**	**9.84**	**333.61**
As at 31 March 2017	**323.77**	**42.42**	**366.19**
As at 1 April 2016	**323.73**	**73.46**	**397.19**

5. Investments

(₹ in Lakh)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a)	Investments in equity shares (unquoted)			
	Aero Ports & Infrastructure Projects Pvt. Ltd.: 50,000 (31 March 2017 : 50,000, 1 April 2016 : 50,000) Equity shares of ₹ 10 each fully paid up	5.00	5.00	5.00
	J M Township & Real Estate Pvt. Ltd.: 2,00,000 (31 March 2017 : 2,00,000, 1 April 2016 : 2,00,000) Equity shares of ₹ 10 each fully paid up	20.00	20.00	20.00
(b)	Investments in Government or Trust Securities (unquoted)	0.15	0.15	0.15
Aggregate value of unquoted investments		**25.15**	**25.15**	**25.15**

6. Other financial assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with Banks - Held as Margin Money	2,239.40	2,192.30	2,221.16
Security Deposits	8.84	8.49	8.52
Total	**2,248.24**	**2,200.79**	**2,229.68**

7. Other non-current assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax payment (Net)	1,652.60	1,590.93	1,506.87
Capital advances	1,147.49	1,534.41	1,529.23
Prepaid lease rental	133.63	136.64	139.64
Total	**2,933.72**	**3,261.98**	**3,175.74**

8. Inventories

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw Materials	2,842.67	3,549.66	4,368.33
Work-in-progress	557.74	405.05	243.10
Finished Goods	11,937.69	13,980.33	13,108.37
Stock in trade	149.92	743.53	914.84
Stores and spares	1,033.96	1,324.77	1,105.38
Goods in transit	21.08	-	209.47
Total	**16,543.06**	**20,003.34**	**19,949.49**

During the year the Company has written down the value of certain obsolete, slow-moving and old inventories by ₹ 2,381.38 Lakh

9. Inventories – Real Estate

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Land at Kanjurmarg	15,000.00	15,000.00	15,000.00
Others	4,395.44	14,980.39	14,966.32
Total	**19,395.44**	**29,980.39**	**29,966.32**

10. Trade receivables

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables - Unsecured			
Considered good	20,261.10	15,019.98	15,683.51
Considered doubtful	693.13	583.38	543.81
	20,954.23	**15,603.36**	**16,227.32**
Less: Allowance for bad and doubtful debts (expected credit loss allowance)*	(693.13)	(583.38)	(543.81)
Total	**20,261.10**	**15,019.98**	**15,683.51**

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

(₹ in Lakh)

	Amount
Balance as at 1 April 2016	**543.81**
Add : Created during the year	213.73
Less : Released during the year	(174.16)
Balance as at 31 March 2017	**583.38**
Add : Created during the year	132.55
Less : Released during the year	(22.80)
Balance as at 31 March 2018	**693.13**

11. Cash and cash equivalents

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
On current accounts	1,786.05	2,061.17	2,409.95
Cash on hand	20.24	18.85	48.05
Total	**1,806.29**	**2,080.02**	**2,458.00**

12. Other bank balances

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with Banks - Earmarked for Unpaid Dividend	1.01	1.01	1.34
Fixed Deposits with Banks	4,850.00	-	-
Total	**4,851.01**	**1.01**	**1.34**

13. Loans

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to Related Parties (refer note 37 c)			
Unsecured, Considered Good	965.50	965.50	965.50
Other Loans & Advances			
Unsecured, Considered Good	2,947.35	2,954.41	2,951.53
Total	**3,912.85**	**3,919.91**	**3,917.03**

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

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

(₹ in Lakh)

	Loans Outstanding as at			Maximum amount outstanding during the year ended on		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
JM Township & Real Estate Pvt. Ltd.	965.50	965.50	965.50	965.50	965.50	965.50

14. Other financial assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security Deposits	1,413.76	1,572.26	1,643.61
Others (Unsecured considered good unless otherwise stated)	211.47	835.75	861.93
Total	**1,625.23**	**2,408.01**	**2,505.54**

15. Other current assets

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with statutory authorities	3,026.82	3,819.57	3,678.52
Advances for supply of goods and rendering of services	2,513.59	2,001.53	2,307.11
Prepaid expenses/Other receivables	213.62	723.03	783.82
Other Assets	177.24	398.25	762.84
Total	**5,931.27**	**6,942.38**	**7,532.29**

16. Equity share capital

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Nos.	₹ inLakh	Nos.	₹ inLakh	Nos.	₹ inLakh
Authorised:						
Equity Shares:						
Equity shares of ₹ 10/- each	8,00,00,000	8,000.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Preference Shares:						
Redeemable Preference Shares of ₹10 each	15,00,00,000	15,000.00	-	-	-	-
Issued, Subscribed and Paid-up						
Equity Shares:						
Equity shares of ₹ 10/- each	7,18,58,955	7,185.90	5,46,99,338	5,469.93	5,46,99,338	5,469.93
Total	**7,18,58,955**	**7,185.90**	**5,46,99,338**	**5,469.93**	**5,46,99,338**	**5,469.93**

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

(₹ in Lakh)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of the year	5,46,99,338	5,469.93	5,46,99,338	5,469.93	5,46,99,338	5,469.93
Issued during the year	1,71,59,617	1,715.97	-	-	-	-
Outstanding at the end of the year	7,18,58,955	7,185.90	5,46,99,338	5,469.93	5,46,99,338	5,469.93

During the year, following equity shares were issued by the Company.

1. Conversion of principal loan outstanding of ₹ 15.75 crs payable to Tata Capital Financial Services Limited (assigned to JMFARC) into 1,01,51,908 equity shares of the Company of face value of ₹ 10 each at par. The balance amount of the loan was waived.
2. Fresh issue of 70,07,709 fully paid up Equity shares at face value ₹ 10/- each at a premium of ₹ 104.16 allotted to JMFARC

B. Terms/Rights attached to equity shares

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

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

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class	Number of shares held having face value of ₹ 10 each	% of holding in class
JM Financial Asset Reconstruction Company Ltd.	17159617	23.88%	-	-	-	-
Aurella Estates And Investments Pvt. Ltd.	25676949	35.73%	25676949	46.94%	25676949	46.94%
Vivek Prannath Talwar	6323669	8.80%	6323669	11.56%	6323669	11.56%

17. Share warrants

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6131745 Warrants (convertible into Equity) of ₹ 10/- each 25% paidup (31 March 2017: NIL, 1 April 2016: NIL)	1,750.00	-	-
Total	**1,750.00**	**-**	**-**

Issue of 6131745 Convertible Warrants (the "Warrants") at an issue price of ₹ 114.16 per warrant, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of ₹ 10/- each fully paid-up at a premium of ₹ 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. 25% of the consideration of total the Warrants issued, was payable to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% will be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such warrant.

18. Other equity

(₹ in Lakh)

		Amount
a)	**Capital Reserve**	
	As at 1 April 2016	325.68
	Changes during the year	(0.02)
	As at 31 March 2017	**325.66**
	Changes during the year	-
	As at 31 March 2018	**325.66**
b)	**Securities Premium Reserve**	
	As at 1 April 2016	35,471.47
	Changes during the year	-
	As at 31 March 2017	**35,471.47**
	Changes during the year	7,119.86
	As at 31 March 2018	**42,591.33**
c)	**Capital Redemption Reserve**	
	As at 1 April 2016	966.00
	Changes during the period	-
	As at 31 March 2017	**966.00**
	Changes during the period	-
	As at 31 March 2018	**966.00**

(₹ in Lakh)

		Amount
d)	**General Reserve**	
	As at 1 April 2016	3,846.91
	Changes during the period	-
	As at 31 March 2017	**3,846.91**
	Changes during the period	-
	As at 31 March 2018	**3,846.91**
e)	**Retained Earnings**	
	As at 1 April 2016	**(55,659.60)**
	Profit/(Loss) for the year 2016-17	(3,352.29)
	Less: Transfer to general reserve	-
	As at 31 March 2017	**(59,011.89)**
	Profit/(Loss) for the year 2017-18	18,868.58
	Less: Transfer to general reserve	-
	As at 31 March 2018	**(40,143.31)**
	Total other equity	
	As at 31 March 2018	**7,586.60**
	As at 31 March 2017	**(18,401.98)**
	As at 1 April 2016	**(15,049.54)**

19. Borrowings

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Redeemable Non-Convertible Preference Shares (refer note-i below)	15,000.00	-	-
Redeemable Non-convertible Debentures (refer note-ii below)	5,000.00	-	-
Term Loan			
From Banks / Financial Institutions	-	5,347.42	10,719.21
From Others	62,102.12	41,607.72	55,366.84
Long term maturities of finance lease	54.78	80.97	112.19
Total	**82,156.90**	**47,036.11**	**66,198.24**

i. 15,00,00,000 fully paid Redeemable Non-Convertible Preference Shares of ₹ 10/- each at par amounting to ₹ 15,000.00 lakh issued by the Company during the year. Preference Shares shall carry dividend at the rate of 0.1% per annum. The outstanding principal of Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date 28 February 2018 refer note 45 A.

ii. 500 fully paid Secured Redeemable Non-convertible Debentures of Face Value of ₹ 10,00,000 each amounting to ₹ 5,000.00 lakh issued by the Company during the year. The Debenture shall carry interest rate of 5% per annum and shall be redeemed at the end of 10 years from the effective date refer note 45 A.

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

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

19.1 Interest and repayment schedule for secured long term borrowings

(₹ in Lakh)

Type of loan	Loan outstanding as on 31.3.2018			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company Limited							
Term loans Facility 1 (secured)	19,737.59	400.00	20,137.59	20,000.00	9%	20 structured quarterly installments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company • Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company • Pledge of shares held by promoters in Nitco Limited and six associate companies • Pledge of shares held by Aurella Estate & Investments Pvt. Ltd. in Nitco Limited, shares held by Nitco Realties Pvt. Ltd. in one of its subsidiary Company and shares held by Nitco Limited in New Vardhman Vitirfied Pvt. Ltd. • Negative lien on Non-Core Assets of the Company • Personal guarantee of Promoter Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/associate companies
Term loans Facility 2 (secured)	27,595.88	1,000.00	28,595.88	30,000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	
Others	14,032.15	-	14,032.15	14,032.15		The loan will be settled after fulfillment of certain conditions.	
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.1%	Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date 28 February 2018.	
Redeemable Non-convertible Debentures	5,000.00	19.11	5,019.11	5,000.00	5%	The Debenture shall be redeemed at the end of 10 years from the effective date.	
Total (A)	**81,365.62**	**1,419.11**	**82,784.73**				
Term loans not assigned to JM Financial Assets Reconstruction Company Limited							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67		11.25%	32 structured quarterly installments commencing from 30 June 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters.
Loan from Financial institutions - FITL	-	244.99	244.99		10.75%	24 structured quarterly installments commencing from 30 June 2014 as prescribed in approved CDR package	

(₹ in Lakh)

Type of loan	Loan outstanding as on 31.3.2018			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non current	Current	Total				
Term loan from Bank	-	244.60	244.60		3M LIBOR Plus 2.60 %	12 structured quarterly installments commencing from 31 March 2015.	Pari passu charge on Silvassa Plant and guaranteed by promoters
	-	709.83	709.83		14.50%	60 quarterly installments commencing from October 2012	First charge on the fixed assets of Wakaner plant, further secured by personal guarantee of by promoters.
Vehicle Loans	54.78	50.67	105.45			Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan.	Secured against the hypothecation of underlying Company owned vehicles.
Total (B)	**54.78**	**2,916.76**	**2,971.54**				
Unsecured Long Term loans by Subsidiary Company							
From Others	736.50	-	736.50	-	-	Payable on demand after 3 years	Unsecured
Total (C)	**736.50**	**-**	**736.50**	-	-		
Grand TOTAL (A+B+C)	**82,156.90**	**4,335.87**	**86,492.77**				

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

20. Provisions

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits	189.96	182.67	236.09
Total	**189.96**	**182.67**	**236.09**

21. Income taxes

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax liabilities (Net)	135.24	2,427.51	2,327.73
Total	**135.24**	**2,427.51**	**2,327.73**

Excess provision of Deferred Tax liability (provided in earlier years) of ₹ 2,034.84 Lakh was reversed during the year. In view to accumulated losses, no provision for tax has been made for the year.

22. Borrowings (Short term)

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loan repayable on demand			
Secured			
From Banks			
Cash Credit – Holding Company	-	11,357.41	11,442.40
Cash Credit – Subsidiary Company	1,525.03	1,565.81	1,578.07
Total	**1,525.03**	**12,923.22**	**13,020.47**

23. Trade payables

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total outstanding dues of micro and small enterprises;	1,249.51	1,103.43	686.03
Total outstanding dues of creditors other than micro and small enterprises	15,364.96	15,531.78	17,554.73
Total	**16,614.47**	**16,635.21**	**18,240.76**

I. Others include acceptances and employee compensation payable.

II. Disclosure with respect to related party transactions is given in note 37

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

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due and remaining unpaid	1,249.51	1,103.43	686.03
- Interest due and unpaid on the above amount	-	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable	-	-	-

24. Other financial liabilities

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term debt	4,335.87	73,505.05	55,955.22
Deposits received	786.05	1,137.11	1,118.92
Amount payable to capital creditors	1,351.16	1,850.43	1,128.18
Unclaimed dividends	1.01	1.01	1.34
Total	**6,474.09**	**76,493.60**	**58,203.66**

25. Other current liabilities

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for excise duty on closing stock	-	621.53	635.92
Advances from customers	1,615.56	20.74	3.77
Statutory dues payable	270.09	295.43	166.95
Other payable	7,203.33	2,544.66	2,385.55
Total	**9,088.98**	**3,482.36**	**3,192.19**

Consequent to GST implementation and adoption of Ind AS, the Company has charged off pending input tax credits including giving effect to appellate orders of ₹ 4,470.31 Lakh.

26. Provisions

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for Leave Encashment	82.34	53.27	85.73
Provision for Gratuity	237.59	124.64	98.86
Provision for Others	42.84	7.15	7.24
Total	**362.77**	**185.06**	**191.83**

27. Revenue from operations

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of Products		
Tiles	58,241.34	73,788.51
Real estate	3,184.34	234.87
	61,425.68	**74,023.38**
Other operating revenues		
Labour charges	181.29	135.51
Lease rental	40.24	254.49
Other operating income	54.54	73.12
	276.07	**463.12**
Total	**61,701.75**	**74,486.50**

28. Other income

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Duty Drawback	0.74	2.70
Creditors W/off	274.12	-
Rent Received	35.92	41.27
Miscellaneous income	168.42	143.11
Total	**479.20**	**187.08**

29. Cost of material consumed

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Body Material	4,538.33	6,516.49
Glaze Material	2,961.12	3,212.64
Marble blocks/slabs	6,213.99	10,662.66
Packing Material	1,819.38	1,662.98
Others (Real Estate)	2,616.74	209.55
Total	**18,149.56**	**22,264.32**

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

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Stock in Trade - Opening	743.53	914.84
Stock in Trade - Closing	149.92	743.53
	593.61	**171.31**
Work in Progress - Opening	405.05	243.10
Work in Progress - Closing	557.74	405.05
	(152.69)	**(161.95)**
Finished Goods (Mfg.) - Opening	13,980.33	13,108.37
Finished Goods (Mfg.) - Closing	11,941.16	13,980.33
	2,039.17	**(871.96)**
Total Change in Inventories	**2,480.09**	**(862.60)**

31. Employee benefits expense

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and amenities	7,565.85	7,449.70
Contribution to provident fund and other funds	438.72	427.45
Staff welfare expenses	285.33	247.93
Total	**8,289.90**	**8,125.08**

32. Finance costs

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on debt and borrowings	1,173.72	657.98
Other borrowing costs	114.89	43.09
Other financial charges	124.81	117.49
Applicable net (gain)/loss on foreign currency transactions and translation	(27.89)	12.41
Total	**1,385.53**	**830.97**

JMFARC has restructured 98% of the Company's debt on sustainable basis vide their sanction letter dated 23 January 2018. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation no further adjustments have been made (refer note 45 A).

33. Depreciation and amortisation expense

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 3)	8,017.76	4,929.06
Amortisation of intangible assets (refer note 4)	32.72	34.82
Amortisation of other assets	3.00	3.00
Total	**8,053.48**	**4,966.88**

34. Other expenses

(₹ in Lakh)

	Year ended 31 March 2018	Year ended 31 March 2017
Other Manufacturing Expenses		
Power and fuel	8,101.36	6,774.03
Consumption of stores and spare parts	1,842.32	2,564.71
	9,943.68	**9,338.74**
Repairs and Maintenance		
Buildings	47.72	25.79
Machinery	369.50	293.41
Others Repairs & Maintenance	281.78	213.43
	699.00	**532.63**
Administrative Expenses		
Rent Rates and Taxes	803.49	1,125.96
Electricity Charges Office & Depot	1,593.26	1,621.07
Processing Charges Mosaico/Marble	683.39	227.60
Water Charges	9.52	9.26
Postage and Telephone	167.33	155.12
Printing and Stationery	21.44	27.37
Insurance	154.63	188.51
Legal and Professional Fees	342.15	264.81
Travelling & Conveyance Expenses	950.77	830.85
Audit Fees	17.64	37.05
Hire Charges	183.60	190.87
Security Charges	147.20	142.64
Miscellaneous Expenses	389.78	481.87
	5,464.20	**5,302.98**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	1,498.92	1,797.19
Freight Forwarding & Distribution Expenses	1,658.84	1,958.43
C&F Charges	299.85	510.56
Provision for Doubtful Debts	52.41	18.31
Bad Debts	106.09	0.43
	3,616.11	**4,284.92**
Total	**19,722.99**	**19,459.27**

35. Components of Other Comprehensive Income (OCI)

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

During the year ended 31 March 2018

(₹ in Lakh)

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

During the year ended 31 March 2017

(₹ in Lakh)

	Retained Earnings	Total
Remeasurement gains/(losses) on defined benefit plans	(15.99)	(15.99)
Income tax effect	-	-
Total	**(15.99)**	**(15.99)**

36. Earnings per share (EPS)

(₹ in Lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit/ (Loss) for the year	18,868.58	(3,352.29)
Equity shares at the beginning of the year (nos.)	5,469.93	5,469.93
Equity shares issued during the year	700.77	-
Equity shares at the end of the year (nos.)	6,170.70	5,469.93
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	558.75	546.99
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	558.75	546.99
Earnings per share-basic (face value of ₹ 10/- each) (₹)	33.77	(6.13)
Earnings per share-diluted (face value of ₹ 10/- each) (₹)	33.77	(6.13)

37. Related party disclosures as required by Ind AS 24 "Related Party Disclosures" are given below:

(A) List of related parties

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

Entity having significant influence over the Company

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar – Chairman & Managing Director

Key Management Personnel (KMP)

Mr. Vivek Talwar – Chairman & Managing Director

Mr. Pradeep Saxena

Mr. Sharath Padmanabh Bolar

Mrs. Bharti Pradeep Dhar

Mr. Veetenkumar H Kavar

Mr. Rajeshbhai J Likhiya

Mr. Rajesh Sunderlal Shah

Mr. Rameshchandra Mithalal Derasariya

Post - employment benefit plans

Nitco Limited Employees Group Gratuity Schemes

Nitco Tiles Ltd. Superannuation Fund

Relative of Key Management Personnel (KMP)

Anjali Talwar

Rohan Talwar

Poonam Talwar

Abhishek Sureshbhai Mehta

Ashvinbhai Raghavjibhai Jivani

Dhirubhai Bhurabhai Boda

Hardik Rajeshbhai Likhiya

Hina Yogesh Gandhi

Jayesh Mavjibhai Chaniyra

Karan Pravinbhai Shah

Khushbuben Rameshbhai Derasariya

Meenaben C.Gandhi

Nayna Pravinbhai Mehta

Payal Vishal Gandhi

Pravinchandra Sevantilal Sheth - HUF

Rajesh S.Shah

Rameshbhai Babulal Bhadja

Sadhna Sureshbhai Mehta

Utsav V Mehta

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

Eden Garden Builders Pvt. Ltd.

Enjoy Builders Pvt. Ltd.

Lavender Properties Pvt. Ltd.

Prakalp Properties Pvt. Ltd.

Rang Mandir Builders Pvt. Ltd.

Usha Kiran Builders Pvt. Ltd.

Saisha Trading LLP

IB Hospitality Pvt. Ltd.

Glamorous Properties Pvt. Ltd.

Watco Trading Private Limited

Watco Engineering Pvt. Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd.

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

(B) Transactions with related parties

(₹ in Lakh)

Transactions	Year ended 31 March 2018					Year ended 31 March 2017				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Sale of Goods										
Poonam Talwar			19.66		19.66			6.27		6.27
Vardhman Vitrified Pvt. Ltd.			-		-			149.51		149.51
Purchase of Traded Goods										
Nilcity Plast Pvt. Ltd.			23.01		23.01			42.08		42.08
Vardhman Vitrified Pvt. Ltd.			21.00		21.00			-		-
Power & fuel expenses										
Saisha Trading LLP			394.71		394.71			388.83		388.83
Other Expenses										
IB Hospitality Pvt. Ltd.			14.37		14.37			25.92		25.92
Compensation Key Managerial Personnel										
Vivek Talwar Short-term employee benefits (including bonuses and value of perquisites)		-			-		48.40			48.40
Post-employment benefits		-			-		2.10			2.10
Veetenkumar H Kavar		4.50			4.50		15.00			15.00
Rajeshbhai J Likhiya		-			-		30.00			30.00
Directors Sitting Fees										
Pradeep Saxena		2.80			2.80		2.35			2.35
Sharath Padmanabh Bolar		2.80			2.80		2.35			2.35
Bharti Pradeep Dhar		1.80			1.80		1.35			1.35

Transactions with related parties (contd.)

(₹ in Lakh)

Transactions	Year ended 31 March 2018					Year ended 31 March 2017				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Rent Paid										
Eden Garden Builders Pvt. Ltd.			3.18		3.18			3.18		3.18
Enjoy Builders Pvt. Ltd.			4.37		4.37			4.37		4.37
Lavender Properties Pvt. Ltd.			3.16		3.16			3.16		3.16
Prakalp Properties Pvt. Ltd.			3.02		3.02			3.02		3.02
Rang Mandir Builders Pvt. Ltd.			4.18		4.18			4.18		4.18
Usha Kiran Builders Pvt. Ltd.			3.16		3.16			3.16		3.16
Rent Received										
Saisha Trading LLP			2.81		2.81			2.76		2.76
Loans & Advances Given/Adjusted										
Aurella Estate & Investment Pvt. Ltd.			788.00		788.00			-		-
Hina Yogesh Gandhi			-		-			28.36		28.36
Manishbhai S. Shan			-		-			25.00		25.00
Meenaben C.Gandhi			-		-			4.10		4.10
Ratilal Chhaganbhai Patel			-		-			7.47		7.47
Loans & Advances Received										
Aurella Estate & Investment Pvt. Ltd.			788.00		788.00			-		-

(₹ in Lakh)

Transactions	Year ended 31 March 2018					Year ended 31 March 2017				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total	subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employment benefit plan	Total
Interest on loans paid/ payable										
Aurella Estate & Investment Pvt. Ltd.			8.08		8.08			-		-
Contributions made										
Nitco Limited Employees Group Gratuity Schemes				1.91	1.91				65.66	65.66
Nitco Tiles Ltd. Superannuation Fund				6.63	6.63				6.34	6.34

(C) Balances outstanding as at the year end

(₹ in Lakh)

Transactions	As at 31 March 2018					As at 31 March 2017					As at 1 April 2016				
	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total
Amount Receivable/(Payable)															
Saumya Buildcon Pvt. Ltd.			995.99		995.99			995.99		995.99			995.99		995.99
Eden Garden Builders Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
Enjoy Builders Pvt. Ltd.			205.00		205.00			205.00		205.00			205.00		205.00
Lavender Properties Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
Prakalp Properties Pvt. Ltd.			145.00		145.00			145.00		145.00			145.00		145.00
Rang Mandir Builders Pvt. Ltd.			200.00		200.00			200.00		200.00			200.00		200.00

(₹ in Lakh)

Transactions	As at 31 March 2018					As at 31 March 2017					As at 1 April 2016				
	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total
Usha Kiran Builders Pvt. Ltd.			150.00		150.00			150.00		150.00			150.00		150.00
JM Township & Real Estate Pvt. Ltd.			965.50		965.50			965.50		965.50			965.50		965.50
Vardhman Vitrified Pvt. Ltd.			18.94		18.94			101.98		101.98			-		-
Eden Garden Builders Pvt. Ltd.			(13.21)		(13.21)			(10.60)		(10.60)			(9.33)		(9.33)
Enjoy Builders Pvt. Ltd.			(21.42)		(21.42)			(17.82)		(17.82)			(14.32)		(14.32)
Lavender Properties Pvt. Ltd.			(17.01)		(17.01)			(14.41)		(14.41)			(11.88)		(11.88)
Prakalp Properties Pvt. Ltd.			(15.62)		(15.62)			(13.13)		(13.13)			(10.96)		(10.96)
Rang Mandir Builders Pvt. Ltd.			(22.61)		(22.61)			(19.17)		(19.17)			(15.83)		(15.83)
Usha Kiran Builders Pvt. Ltd.			(16.85)		(16.85)			(14.25)		(14.25)			(12.01)		(12.01)
Saisha Trading LLP			(394.58)		(394.58)			(341.25)		(341.25)			(346.31)		(346.31)
IB Hospitality Pvt. Ltd.			(0.01)		(0.01)			-		-			-		-
Pradeep Saxena		(0.27)			(0.27)		-			-		-			-
Sharath Padmanabh Bolar		(0.27)			(0.27)		-			-		-			-
Bharti Pradeep Dhar		(0.27)			(0.27)		-			-		-			-
Watco Trading Private Limited			(115.70)		(115.70)			(115.70)		(115.70)			(115.70)		(115.70)
Watco Engineering Pvt. Ltd.			(23.40)		(23.40)			(23.40)		(23.40)			(18.75)		(18.75)
Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd.			1.00		1.00			1.00		1.00			(2.00)		(2.00)
Nitco Sales Corporation Delhi			(0.02)		(0.02)			(0.02)		(0.02)			(0.02)		(0.02)
Nitco Tiles Sales Corporation			(0.23)		(0.23)			(0.23)		(0.23)			(0.23)		(0.23)
Northern India Tiles Sales Corporation			(1.73)		(1.73)			(1.73)		(1.73)			(1.73)		(1.73)
Poonam Talwar			15.12		15.12			5.46		5.46			(0.81)		(0.81)
Rajeshbhai Likhiya		(19.50)			(19.50)		(19.50)			(19.50)		(19.50)			(19.50)
Abhishek Sureshbhai Mehta			(21.50)		(21.50)			(21.50)		(21.50)			(21.50)		(21.50)
Ashvinbhai Raghavjibhai Jivani			(13.00)		(13.00)			(13.00)		(13.00)			(13.00)		(13.00)

(₹ in Lakh)

Transactions	As at 31 March 2018					As at 31 March 2017					As at 1 April 2016				
	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total	Subsidiaries	Key Manag-ement Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post-employ-ment benefit plan	Total
Dhirubhai Bhurabhai Boda			(2.00)		(2.00)			(2.00)		(2.00)			(2.00)		(2.00)
Hardik Rajeshbhai Likhiya			(12.50)		(12.50)			(12.50)		(12.50)			(12.50)		(12.50)
Hina Yogesh Gandhi			(96.49)		(96.49)			(96.49)		(96.49)			(68.13)		(68.13)
Jayesh Mavjibhai Chaniyra			(26.90)		(26.90)			(26.90)		(26.90)			(26.90)		(26.90)
Karan Pravinbhai Shah			(10.59)		(10.59)			(10.59)		(10.59)			(10.59)		(10.59)
Khushbuben Rameshbhai Derasariya			(7.50)		(7.50)			(7.50)		(7.50)			(7.50)		(7.50)
Manishbhai S. Shan			-		-			-		-			(25.00)		(25.00)
Meenaben C.Gandhi			(87.35)		(87.35)			(87.35)		(87.35)			(83.25)		(83.25)
Nayna Pravinbhai Mehta			(14.50)		(14.50)			(14.50)		(14.50)			(14.50)		(14.50)
Payal Vishal Gandhi			(21.17)		(21.17)			(21.17)		(21.17)			(21.17)		(21.17)
Pravinchandra Sevantilal Sheth – HUF			(16.29)		(16.29)			(16.29)		(16.29)			(16.29)		(16.29)
Rajesh S.Shah			(21.17)		(21.17)			(21.17)		(21.17)			(21.17)		(21.17)
Rameshbhai Babulal Bhadja			(10.75)		(10.75)			(10.75)		(10.75)			(10.75)		(10.75)
Ratilal Chhaganbhai Patel			-		-			-		-			(7.47)		(7.47)
Sadhna Sureshbhai Mehta			(27.00)		(27.00)			(27.00)		(27.00)			(27.00)		(27.00)
Utsav V Mehta			(7.00)		(7.00)			(7.00)		(7.00)			(7.00)		(7.00)
Nilcity Plast Pvt. Ltd.			(0.71)		(0.71)			(15.45)		(15.45)			-		-
Vardhman Vitrified Pvt. Ltd.			(1.00)		(1.00)			-		-			-		-
Nitco Limited Employees Group Gratuity Schemes				(237.60)	(237.60)				(124.64)	(124.64)				(98.86)	(98.86)
Nitco Tiles Ltd. Superannuation Fund				-	-				-	-				-	-

38. Employee benefit plans

a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company's contribution to the provident fund, superannuation fund and national pension scheme is ₹ 333.13 Lakh for the year ended 31 March 2018 (31 March 2017 ₹ 315.81 Lakh)

b) Defined benefit Plan

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

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at 31 March 2018 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

A. Movements in present value of defined benefit obligation

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Defined benefit obligation at the beginning of the year	724.56	657.82	609.21
Current service cost	74.63	67.80	66.61
Interest Expense or Cost	49.23	50.94	47.45
Past Service Cost	14.38	-	-
Benefits paid	(62.80)	(68.86)	(53.71)
Actuarial (gain)/ loss	20.82	16.86	(11.74)
Defined benefit obligation at the end of the year	820.82	724.56	657.82

B. Movements in the fair value of plan assets

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Fair value of plan assets at the beginning of the year	599.92	558.95	554.33
Investment income	40.77	43.30	43.17
Contribution by employer	1.91	65.66	15.13
Benefits paid	(59.74)	(68.86)	(53.68)
Expected Interest Income on plan assets	0.36	0.87	-
Fair value of plan assets at the end of the year	583.22	599.92	558.95

C. Amount recognized in the Balance Sheet

(₹ in Lakh)

	31 March 2018	31 March 2017	1 April 2016
Fair value of plan assets	820.82	724.56	657.82
Defined benefit obligation	583.22	599.92	558.95
Net Asset/ (Liability) recognised in the Balance Sheet	(237.60)	(124.64)	(98.87)
Effects of Asset Ceiling, if any	-	-	-
Amount recognised in the Balance Sheet	(237.60)	(124.64)	(98.87)

D. Amount recognised in Statement of Profit and Loss

(₹ in Lakh)

	31 March 2018	31 March 2017
Current service cost	74.63	67.80
Past service cost	14.38	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8.46	7.65
Amount recognised in Statement of Profit and Loss	97.47	75.45

E. Amount recognised in Other Comprehensive Income:

(₹ in Lakh)

	31 March 2018	31 March 2017
Actuarial changes arising from changes in demographic assumptions	7.96	2.63
Actuarial changes arising from changes in financial assumptions	(12.01)	26.46
Experience adjustments	21.81	(12.23)
Return on plan assets, excluding amount recognized in net interest expense	2.73	(0.87)
Amount recognised in Other Comprehensive Income	20.49	15.99

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

Gratuity	31 March 2018	31 March 2017	1 April 2016
Investment Details	Funded	Funded	Funded
Funds managed by Insurer	100%	100%	100%

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

	31 March 2018	31 March 2017	1 April 2016
Discount rate (per annum)	7.20%	6.80%	7.75%
Salary growth rate (per annum)	5.00%	5.00%	5.00%
Retirement age	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees

H. A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

(₹ in Lakh)

Particulars	31 March 2018	31 March 2017
Defined Benefit Obligation (Base)	724.56	820.82

Gratuity Plan	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	752.77	698.36	846.91	796.30
(% change compared to base due to sensitivity)	3.9%	(3.6%)	3.2%	(3.0%)
Salary Growth Rate (- / + 1%)	698.78	751.53	795.84	846.78
(% change compared to base due to sensitivity)	(3.6%)	3.7%	(3.0%)	3.2%
Attrition Rate (- / + 50% of attrition rates)	700.32	734.50	792.93	831.50
(% change compared to base due to sensitivity)	(3.3%)	1.4%	(3.4%)	1.3%
Mortality Rate (- / + 10% of mortality rates)	724.48	724.64	820.75	820.89
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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

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

(₹ in Lakh)

	31 March 2018	31 March 2017
Within the next 12 months (next annual reporting period)	261.88	192.50
Between 2 and 5 years	531.82	456.30
Between 6 and 10 years	197.47	213.90
Beyond 10 years	59.91	107.20

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

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

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

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

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

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

A. Business Segment:

(₹ in Lakh)

	Particulars	**As at 31 March 2018**	**As at 31 March 2017**
1	**Net Sales / Income from operations**		
	- Tiles and other related products	58,477.17	73,997.14
	- Real estate	3,224.58	489.36
	Total Revenue	**61,701.75**	**74,486.50**
2	**Segment results**		
	- Tiles and other related products	(7,732.66)	(2,571.60)
	- Real estate	515.60	165.84
	Total Segment Profit/(Loss)	**(7,217.06)**	**(2,405.76)**
	Less : Interest and other financial cost	1,385.53	830.97
	Exceptional items	(24,786.41)	-
	Profit /(Loss) Before Tax	**16,183.82**	**(3,236.73)**
	Other Comprehensive Income	**20.49**	**15.99**
	Total Comprehensive Income Before Tax	**16,163.33**	**(3,252.72)**

(₹ in Lakh)

		Segment Asset		**Segment Liabilities**	
		As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
3	**Capital Employed**				
	- Tiles and other related products	97,170.19	1,06,795.09	25,420.88	22,997.65
	- Real estate	28,150.59	38,155.78	406.64	463.97
	- Unallocated/ Corporate	13,892.00	8,777.90	4,252.75	2,380.84
	Total Capital Employed	**1,39,212.78**	**1,53,728.77**	**30,080.27**	**25,842.46**

B. Geographical Segment :

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

(₹ in Lakh)

Particulars	India		Rest of the world		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Segment revenue	59,695.22	72,684.31	2,006.53	1,802.19	61,701.74	74,486.50
Carrying cost of Segment assets	1,34,449.47	1,48,287.08	320.75	259.88	1,34,770.22	1,48,546.96
Addition of fixed assets	476.37	950.34	-	-	476.37	950.34

40. Commitments & Contingencies

(a) Leases

(i) Operating Lease

The Company have entered into a long term lease agreement for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31 March 2017 aggregating ₹ 133.62 (31 March 2017 - ₹ 136.63 Lakh, 1 April 2016 - ₹ 139.64 Lakh) is included in other non-current assets.

ii) Finance Leases

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

For net carrying amount of assets acquired under finance lease as at 31 March 2018, refer note 3 property, plant and equipment.

Maturity profile of finance lease obligations are as under :

(₹ in Lakh)

Particualrs	Outstanding as at		Future Interest		Future Obligations	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
With one year	56.02	40.94	2.91	2.78	58.93	43.72
later than one year and not later than five years	32.15	80.97	8.61	19.00	40.76	99.97
After five year	-	-	-	-	-	-
Total	**88.17**	**121.91**	**11.52**	**21.78**	**99.69**	**143.69**

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31 March 2018 are ₹ 17.76 Lakh (31 March 2017 - ₹ 11.33 Lakh, 1 April 2016 - ₹ 84.56 Lakh).

(c) Contingent Liabilities

(₹ in Lakh)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a)	Bank Guarantee given by the Company	480.37	4,497.05	3,751.85
b)	Demands against the Company not acknowledged as debts and not provided for against			
	i. Excise Duty	-	2,020.28	2,006.65
	ii. Custom Duty	-	345.37	751.57
	iii. Penalty levied by DGFT, Delhi (refer to note (ii) below)	16,980.00	16,980.00	16,980.00
	iv. Sales Tax	-	1,287.46	1,196.46
	v. Demand order for unearned income (refer to note (iii) below)	5105.88	5105.88	5105.88
c)	Income tax	64.36	64.36	64.36
d)	Legal matters	110.34	110.34	111.52

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹ 170 crore for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The Company has been advised that the order is bad in law and accordingly will agitate the matter before the appropriate forum. No provision has been made in the accounts for the same.

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

41. Capital Management

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

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

(₹ in Lakh)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Debt#	A	88,018	1,33,464	1,35,174
Cash & cash equivalent	B	6,657	2,081	2,459
Net Debt	C=(A-B)	81,361	1,31,383	1,32,715
Equity	D	18,223	(10,819)	(7,447)
Net Debt to Equity ratio	E=(C/D)	4.46	(12.14)	(17.82)

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

Improved capital gearing ratio reflects increase in equity on account of net profits during the year

42. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(₹ in Lakh)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:						
Cash and cash equivalents (refer note 11)	1,806.29	1,806.29	2,080.02	2,080.02	2,458.00	2,458.00
Other Bank Balances (refer note 12)	4,851.01	4,851.01	1.01	1.01	1.34	1.34
Trade Receivables (refer note 10)	20,261.10	20,261.10	15,019.98	15,019.98	15,683.51	15,683.51
Loans (refer note 13)	3,912.85	3,912.85	3,919.91	3,919.91	3,917.03	3,917.03
Other Financial Assets (refer note 5, 6 & 14)	3,898.62	3,898.62	4,633.95	4,633.95	4,760.37	4,760.37
Total	**34,729.87**	**34,729.87**	**25,654.87**	**25,654.87**	**26,820.25**	**26,820.25**
Financial assets at fair value through Profit and Loss	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:						
Trade Payables (refer note 23)	16,614.47	16,614.47	16,635.21	16,635.21	18,240.76	18,240.76
Other Financial Liabilities (refer note 24)	2,138.22	2,138.22	2,988.55	2,988.55	2,248.44	2,248.44
Borrowings (refer note 19, 22 & 24)	88,017.80	88,017.80	1,33,464.38	1,33,464.38	1,35,173.93	1,35,173.93
Total	**1,06,770.49**	**1,06,770.49**	**1,53,088.14**	**1,53,088.14**	**1,55,663.13**	**1,55,663.13**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil	Nil	Nil

43. Financial risk management objectives:

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

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

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

i. Foreign currency risk:

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

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

(₹ in Lakh)

	Effect on profit /(Loss) before tax						
	% Change in foreign currency rate	**Exposure in**					**Total**
		USD	**EUR**	**GBP**	**AED**	**AUD**	
As at 31 March 2018	+5%	(20.66)	7.06	-	(0.92)	0.40	(14.12)
	-5%	20.66	(7.06)	-	0.92	(0.40)	14.12
As at 31 March 2017	+5%	(4.73)	(8.98)	(0.10)	-	-	(13.81)
	-5%	4.73	8.98	0.10	-	-	13.81
As at 1 April 2016	+5%	(24.85)	(5.14)	-	-	-	(29.99)
	-5%	24.85	5.14	-	-	-	29.99

ii. Interest Rate Risk

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

Exposure to Interest Rate Risk

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

(₹ in Lakh)

	As at 31 March 2018	**As at 31 March 2017**	**As at 1 April 2016**
Fixed Rate Borrowings	82,885.96	121.91	157.83
Floating Rate Borrowings	5,131.84	1,33,342.47	1,35,016.10
Total Borrowing	**88,017.80**	**1,33,464.38**	**1,35,173.93**

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended 31 March 2018 would decrease/increase by ₹ 25.66 lakh (for the year ended 31 March 2017: decrease/increase by ₹ 666.71 Lakh)

iii. Credit risk

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

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

(₹ in Lakh)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.	5,067.42	3,433.59	2,888.07
Other trade receivables	15,193.68	11,586.39	12,795.44
Total	**20,261.10**	**15,019.98**	**15,683.51**

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at 31 March 2018 on account of carrying amount of loan / advances /deposit, trade and other receivables and guarantees is disclosed in note 13 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelating parties is minimised as the Company deals only with reputed parties.

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

iv. Liquidity risk

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

Liquidity table:

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

(₹ in Lakh)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total	Carrying Amount
As at 31 March 18							
Borrowings	2,278.67	4,341.34	14,669.76	32,695.88	34,032.15	88,017.80	88,017.80
Trade payables	-	16,614.47	-	-	-	16,614.47	16,614.47
Other financial liabilities	787.06	1,351.16	-	-	-	2,138.22	2,138.22
Total	**3,065.73**	**22,306.97**	**14,669.76**	**32,695.88**	**34,032.15**	**1,06,770.49**	**1,06,770.49**
As at 31 March 17							
Borrowings	13,677.30	73,538.58	36,165.79	10,082.71	-	1,33,464.38	1,33,464.38
Trade payables	-	16,635.21	-	-	-	16,635.21	16,635.21
Other financial liabilities	1,138.12	1,850.43	-	-	-	2,988.55	2,988.55
Total	**14,815.42**	**92,024.22**	**36,165.79**	**10,082.71**	**-**	**1,53,088.14**	**1,53,088.14**
As at 1 April 16							
Borrowings	13,771.81	73,955.06	36,230.76	11,216.30	-	1,35,173.93	1,35,173.93
Trade payables	-	18,240.76	-	-	-	18,240.76	18,240.76
Other financial liabilities	1,120.26	1,128.18	-	-	-	2,248.44	2,248.44
Total	**14,892.07**	**93,324.00**	**36,230.76**	**11,216.30**	**-**	**1,55,663.12**	**1,55,663.12**

44. Research and development expenditure

(₹ in Lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
Revenue expenditure charged to profit and loss account (incl. depreciation on property, plant and equipment)	119.63	138.97	132.02
Capital expenditure	-	0.26	15.23

45. Exceptional items

A. Debt Restructuring

a. JM Financial Asset Reconstruction Company Limited (JMFARC)

i. In the earlier years, the Company's lenders (approx. 98%) assigned their debts of ₹ 1,24,032.15 Lakh to an asset reconstruction Company. During the current financial year, based on the Techno Economic Viability (TEV) study conducted by MITCON and its findings thereof, the debt of the Company was required to be restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Accordingly a restructuring plan was drawn followed by a business plan reviewed by a reputed financial and tax consultancy. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans, debentures and preference shares. Post successful restructuring, there would be write-off of part of the loans (for the current year, write-off was ₹ 40,000 lakhs)

ii. The Company issued 1,01,51,908 equity shares of face value of ₹ 10 each at par to JMFARC upon conversion of a loan of ₹ 1,575.42 lakh.

iii. The Company issued 15,00,00,000 fully paid Redeemable Non-Covertible Preference Shares of ₹ 10/- each at par amounting to ₹ 15,000.00 lakh during the year.

iv. The Company issued 500 fully paid secured redeemable Non-convertible Debentures of Face Value of ₹ 10,00,000 each amounting to ₹ 5,000.00 lakh during the year.

v. For the current year, the Company has recognized loan waiver of ₹ 40,560.23 Lakh (i & ii above) and has also reversed the interest amounting to ₹ 8,195.90 Lakh receivable from its wholly owned subsidiary. The net amount of ₹ 32,364.33 Lakh has been shown under an exceptional item.

b. Further, the Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiations no further adjustments have been made.

B. Write down of the value of certain obsolete, slow-moving and old inventories ₹ 2,381.38 Lakh

C. Consequent to GST implementation and adoption of Ind AS, the Company has charged off pending input tax credits including giving effect to appellate orders ₹ 4,470.31 Lakh

D. The Company has reviewed current assets and consequently written off as one time charge ₹ 726.23 Lakh.

46. Explanation of transition to Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2.4 "Significant accounting policies note – "p" have been applied in preparing the consolidated financial statements for the year ended 31 March 2018 and the comparative period information.

For all periods upto and including the year ended 31 March 2017, the Company prepared its consolidated financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013(Previous GAAP)

The transition to Ind AS was carried out in accordance with Ind AS 101, with 1 April 2016 being the date of transition. Following note explains how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows.

(a) Reconciliation of equity between Ind AS and previous GAAP:

(₹ in Lakh)

	As at 31 March 2017	As at 1 April 2016
Total Equity as per previous GAAP	**(11,157.50)**	**(7,869.00)**
Impact of transition to Ind AS		
- Deferred Tax liability (Net)	338.72	421.63
Total Equity as per Ind AS	**(10,818.78)**	**(7,447.37)**

(b) Reconciliation of total comprehensive income between Ind AS and previous GAAP:

(₹ in Lakh)

	Year ended 31 March 2017
Net Profit / (Loss) as per previous GAAP	**(3,220.39)**
Impact of Deferred Tax (Including undistributed earning on subsidiaries)	(150.87)
Re-measurement cost of net defined benefit liability	15.99
Net Profit as per Ind AS	**(3,355.27)**
Other Comprehensive Income (Net of Tax)	(15.99)
Total Comprehensive Income as per Ind AS	**(3,371.26)**

Notes to first time adoption

The following explains the material adjustments made during transition from previous GAAP to Ind AS:

1. Impact on Statement of Cash Flows

   The Ind AS adjustments are non cash adjustments. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31 March, 2016 as compared with the previous GAAP.

2. Other Comprehensive Income

   Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled previous GAAP profit & loss to profit or profit & loss as per Ind AS. Further, previous GAAP profit & loss is reconciled to total comprehensive income as per Ind AS.

3. Re-classification

   The Company has reclassified previous year figures to conform to Ind AS classification.

In terms of our report of even date annexed

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

Kishore K. Rane
Partner
Membership No.: 100788
Mumbai, 29 May 2018

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Pradeep Saxena
Director
(DIN:00288321)

Sharath Bolar
Director
(DIN: 07009701)

Bharati Dhar
Director
(DIN: 00442471)

Bhaskar Borkar
Chief Financial Officer

Puneet Motwani
Company Secretary
(ACS No: 38530)

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