NITCO

TILES MARBLE MOSAICO

NITCO/SE/2023-24/019 **September 01, 2023**

To,

Corporate Service Department, **BSE Limited** Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 **Script code: 532722**	The Listing Department, **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Script code: NITCO**

Dear Sir/Madam,

Sub: Submission of Notice of 57th Annual General Meeting along with Annual Report for the Financial Year 2022–23 and details of remote e- voting

We wish to inform you that the 57th Annual General Meeting ("the AGM") of the Members of the Company will be held on **Monday, September 25, 2023 at 11:30 A.M**. through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") in compliance with Ministry of Corporate Affairs and the Securities and Exchange Board of India Circulars.

Pursuant to Regulation 30 read with Clause 12 of Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Regulation 34(1) of the Listing Regulations, please find enclosed the Notice convening 57th Annual General Meeting and Annual Report for the Financial Year 2022-23 of the Company which is also being sent to those Members whose email addresses are registered with the Company /Registrar and Transfer Agent ('RTA') and Depository Participant(s) through electronic mode in accordance with aforesaid Circulars.

The details of remote e-voting are as follows:

Date of 57th AGM	Monday, September 25 , 2023
AGM Start Time	11: 30 A.M.
E-Voting Cut Off Date	Monday, September 18, 2023
Remote E- Voting Start Date	Thursday, September 21, 2023
Remote E- Voting Start Time	09: 00 A.M.
Remote E- Voting End Date	Sunday, September 24, 2023
Remote E- Voting End Date	05: 00 P.M.

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Notice of the 57th AGM and Annual Report for the Financial Year 2022-23 is also available on Website of the Company https://www.nitco.in/corporate/investors/PDFFiles/Annual-Report-2022-23.pdf

Kindly take the above information on your records.

Thanking you,
Yours faithfully,

For **NITCO LIMITED**

GEETA
GOPALDAS
KARIRA

Digitally signed by GEETA GOPALDAS KARIRA
DN: c=IN, o=Personal, title=3031,
pseudonym=AD3538CE665B389AC554320CF5C52C6A026BF0FB,
2.5.4.20=85d71f2204112314596d7a3f9d3ad9fde197b77e22f2a700ebdc7a0bb386d9bc,
postalCode=421004, st=Maharashtra,
serialNumber=29281389562B34884FBE4B81CF52F0602ECF6F8357614492E472747B7D5DAED2, cn=GEETA GOPALDAS KARIRA
Date: 2023.09.01 20:25:03 +05'30'

Geeta Karira
Company Secretary and Compliance Officer
ACS 57288

Encl: As above

TUV NORD
TUV India Private Ltd.
ISO 9001

NITCO

TILES MARBLE MOSAICO

Annual Report

2022-2023

What's Inside

Corporate Information

Board of Directors

Mr. Vivek Talwar
Chairman & Managing Director

Ms. Poonam Talwar
Non-Executive Director

Mr. Ajay Bakshi
Independent Director

Mr. Harsh Kedia
Independent Director

Mr. Santhosh Kumar Shet
Independent Director

Ms. Priyanka Agarwal
Independent Director

Ms. Geeta Karira
Company Secretary and Compliance Officer

M M Nissim & Co LLP
Chartered Accountants
Statutory Auditor

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-1 01, 247 Park, LB.S. Marg, Vikhroli,
(West), Mumbai - 400 083
Tel.: 022 4918 6000
Fax: 022 4918 6060
E-mail: mumbai@linkintime.co.in
Website: www.linklntlme.co.in

Registered Office

NITCO Limited,
Plot No.3, Nitco House, Kanjur Village Road,
Kanjur Marg (E), Mumbai- 400042
Tel.: 022 25772800
E-mail: investorgrievances@nitco.in
Website: www.nitco.in

Works Marble Division

Survey No 176, Village Silli,
Silvassa – 396 230

NITCO

TILES MARBLE MOSAICO

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

Tiles, Marble and Mosaico

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

Pan India and beyond

Our pan-India presence is facilitated through 15 offices. Our strong distribution network comprises more than 432 active direct dealers. We export tiles across the globe and source the best quality marble from over 41 countries.

Our key strengths

NITCO Group has a widespread and well established network of 432 active direct dealers and 1980 active sub dealers spread over. The company also owns 9 exclusive display centres under the brand name 'Le Studio' as well as 131 franchisee stores across India and Nepal, known as 'Le Studio Express' (LSE), 'NITCO Look' and ‘NITCO Galore'.

A Responsible Organization

Business aside, we are also very much concerned about environmental factors and we therefore ensure that our entire manufacturing process is non-polluting, that we recycle all effluents and do not discharge any harmful materials into open land.

World Class Technology

NITCO deploys world-class manufacturing technology with fully-automated production lines enabling the delivery of globally-benchmarked products. We have a fully automated state of the art plant in Silvassa, using the most Modern Italian Technology (Breton) to process Natural Marble. We use the best quality Epoxy Resin & Imported Fiber Glass Net in our plant to add strength and durability to the slabs of Natural Marble. The Grinding- Polishing line delivers the highest gloss level of above 30% more than conventional polishing

International Expertise

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

Design Partner

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

Business model

Distribution Network

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

Brand Ethos

NITCO is the only company offering surface solutions across tiles, marble, mosaic. It curates the products with precision technology with a design ethos crafting nature across all its creations

Customer Focussed

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

Innovation at NITCO

At NITCO, we have always looked at bringing Global design trends to India. This year, we have brought excellent range of pastel shades for walls and floors. They are exquisite full body tiles which can be used for any heavy duty commercial applications.

There are 8 beautiful shades spanning : natural colours like Green, Yellow, purple & colours of water like aqua green & blue along with 3 mesmerising pinks

These are all available in excellent Matt finish in size 600X1200 mm

Apart from this range, We also launched monotone minimalistic shades, which are always in demand like hues of neutral grey, Jet back and white

Best part is that all are full body vitrified tiles So, equally good for wall and floor applications

Our architects & customers a like love these innovative designs

Technical Training Initiatives - Internal

Induction & Marble Training Program:

The company conducted an induction and training program for Business Development Executives, focusing on enhancing product knowledge, providing insights into the Silvassa plant, and familiarizing executives with the organization's mission, rules, regulations, and working conditions. Through comprehensive training sessions and a visit to the plant, executives gained a deeper understanding of the product portfolio and operational processes. The program emphasized alignment with the company's mission and values, ensuring professionalism and ethical conduct. By familiarizing executives with working conditions, the program facilitated their successful integration into their roles. This investment in development supports business growth and upholds the company's commitment to excellence.

Technical Training Initiatives - External

During the financial year of 2022-2023, the NITCO team successfully conducted a total of 385 training meetings, showcasing our commitment to imparting technical knowledge and expertise. These initiatives aimed to enhance the skills and understanding of various stakeholders, including sales staff, engineers, dealers, masons, and contractors. Our training programs focused on product knowledge, brand positioning, technical superiority, and design excellence.

Dealers Salesmen Meet: Dealers Salesmen Meets were organized to train the sales staff of our dealers on our wide range of products. These meetings aimed to equip them with the necessary knowledge and skills to effectively promote and sell our products to customers.

Engineers Meet: To showcase the technical superiority and design supremacy of our brand and products, we conducted 34 Engineers Meets. These meetings provided a platform for our technical experts to present the unique features and advantages of our products to engineers, fostering a deeper understanding and appreciation of our offerings.

Induction Meet with New Dealers: Thirteen Induction Meets were held specifically for newly on boarded dealers. These sessions provided them with an overview of our products, brand identity, and established market position. Additionally, it served as an opportunity to address any queries or concerns and create a strong foundation for collaboration.

Mason & Contractor Meetings: We conducted 44 meetings with masons and contractors, aimed at educating them about our products, brand, and market dominance. These interactions also served as a valuable forum for gathering their opinions and suggestions, which were shared with our research and development team for consideration.

Warehouse Training Program: A noteworthy initiative that sets us apart in the industry is our extensive Warehouse Training Program. We conducted 179 training programs in collaboration with our technical specialists, focusing on best practices in logistics and product handling. This comprehensive training aimed to optimize inventory management, reduce costs, and improve overall efficiency. The technical training initiatives undertaken by the NITCO team during the financial year 2022-2023 reflect our dedication to empowering stakeholders with the knowledge and skills necessary to succeed in their roles. These efforts have not only enhanced product understanding but also strengthened relationships with sales staff, engineers, dealers, masons, and contractors, reinforcing our position as a leader in the market.

Team NITCO at De-suung Skilling Program

NITCO Limited proudly collaborated with the De-suung Skilling Program (DSP) initiated by His Majesty the King of Bhutan, providing expertise in the field of construction. As part of this esteemed initiative, NITCO's team of experts conducted a two-week training program on Floor and wall Tiling, imparting their knowledge to 23 enthusiastic participants. The DSP aims to up skill unemployed Bhutanese youths, empowering them with high-quality training aligned with regional and international standards. NITCO's involvement in this program reflects their status as pioneers in the industry, with over 70+ years of experience. This collaboration signifies a significant milestone in knowledge transfer and recognizes NITCO's contribution to the nation-building efforts of Bhutan.

NITCO Marble Initiatives

NITCO Marble - Superior Marble Sourcing:

As part of our continuous pursuit of excellence, the Marble team's panel of experts undertook extensive sourcing expeditions across Europe and North America. With unwavering determination, they meticulously scoured the best quarries in the region, dedicated to unearthing superior marble. This tireless endeavour resulted in the identification and procurement of an exquisite range of collections. The exceptional craftsmanship applied to these marbles has resonated profoundly with our esteemed architects and builder clientele, who have wholeheartedly embraced these products. This successful acquisition of superior marble not only elevates the artistic value of our offerings but also strengthens our position as a trusted provider of exceptional materials.

NITCO Marble Awareness Campaigns:

NITCO Limited's Marble sales team left no stone unturned in the previous year, conducting an impressive 7,324 meetings with architects, interior designers, and builders. These purposeful engagements played a pivotal role in promoting NITCO's marble business and identifying potential avenues for growth. Combining the convenience of online interactions with the immersive experience of in-person meetings and guided tours of our renowned Nitco Marble Factory Yards in Silvassa and Mumbai, our team successfully nurtured numerous business opportunities. This concerted effort and strategic approach have cemented NITCO's reputation as a trusted partner in the marble industry.

Coverings Las Vegas Nevada 2022

NITCO Limited actively participated in the prestigious international trade fair and exhibition, Coverings, held in Las Vegas, Nevada, as part of its annual activities. The company showcased an impressive range of handcrafted tiles, exotic porcelain Tiles, water jet mosaics, MOP mosaics, curated hardwood tile planks, press porcelain mosaics, and other exceptional products. The captivating display, featuring exquisite combinations of Carving marble tiles and striking High glossy Tile slabs, garnered significant attention and engagement from both domestic and international visitors. NITCO's participation in Coverings showcased its unwavering commitment to superior craftsmanship, innovative design, and its strong position in the global ceramic industry.

Cersaie Italy 2022

In September 2022, NITCO Limited had the privilege of participating in the esteemed international trade fair and exhibition, Cersaie, held in Bologna, Italy. As a leading manufacturer in the ceramic and Porcelain tiles industry, NITCO showcased its exotic range of tiles, attracting significant attention and generating numerous inquiries from overseas visitors. The captivating display and exciting product offerings showcased NITCO's commitment to innovation and design excellence. NITCO's participation in Cersaie further strengthened its position as a key player in the global ceramic tile market, reflecting the company's dedication to delivering high-quality products that inspire and captivate customers worldwide. company's dedication to delivering high-quality products that inspire and captivate customers worldwide.

Dialogues - Oct 2022

In October 2022, NITCO Limited actively participated in the renowned 11th Edition of Dialogues, a distinguished design event. This significant gathering brought together more than 40 top-notch interior designers and architects, fostering an environment conducive to collaborative ventures and synergistic opportunities. NITCO capitalized on this platform to present its exclusive product line to India's esteemed architects. The company's dedicated team meticulously curated a specialized range of products, with a captivating marble display section that garnered considerable attention. Alongside, NITCO showcased its finest tile collections throughout the event, capturing the interest of attendees. Over three days, the NITCO team actively engaged with industry professionals, establishing valuable connections and exploring promising business prospects. NITCO's participation in Dialogues exemplifies the company's unwavering commitment to excellence and its ongoing efforts to collaborate with influential figures in the industry.

Brunch by the Sea 2023

NITCO Limited's Managing Director, Mr. Vivek Talwar, hosted a memorable seaside brunch in Alibaug on January 21, 2023. The event was attended by esteemed members of the business fraternity, including top architects, interior designers, and builders. Notable guests, such as Team Hafeez Contractor and Sanjay Puri, along with other valued business partners, gathered to relax, rejuvenate, and foster strong relationships with NITCO's senior management and business teams. This successful initiative served to reinforce existing connections and forge new ones within our target audience. The event showcased the unity of our business relations, leaving a lasting impression on the industry. The strengthened relationships resulting from the brunch translated into a positive surge in our business in the subsequent months, demonstrating the significance of empowered connections in driving growth.

HI-AIM Nepal, February 2023

Team NITCO actively participated in the HI-AIM Conference and exhibited in Nepal, showcasing our extensive range of marble collections alongside the Marble & Business development team. HI-AIM serves as a significant forum for the hospitality industry, facilitating knowledge sharing among hoteliers, decision-makers, architects, and interior designers. This 2-day event featured renowned speakers, panel discussions, and an exposition showcasing the top 50 brands in hospitality design and construction. With extensive media coverage and global participation, HI-AIM provided invaluable networking opportunities and insights on design, sustainability, and emerging trends. Attending this event was crucial for Team NITCO's core team and key decision-makers to stay at the forefront of industry advancements.

Casa Eterna Launch March 12th 2023

The CASA Eterna'23 Launch event, held at the Grand Hyatt Goa on March 12th, was a grand affair that showcased NITCO's exquisite range of tiles to esteemed guests, including 500+ dealers from across India. The event took place on the open lawn facing the sea at the beautiful property, creating an atmosphere of elegance and luxury.

NITCO unveiled over 250+ new products as part of the Casa Eterna collection, leaving the NITCO fraternity in a state of excitement and awe. The Managing Director, Mr. VIVEK Talwar, expressed his enthusiasm for the event and introduced the senior management team of NITCO. Mr. Divvyang Chedda, Ms. Anikaa Wasan, and Ms. Chaandee Wasan joined the MD for the Lamp lighting ceremony, symbolizing the inauguration of the occasion.

During the event, the top performers of the fiscal year 2022-2023 were recognized and felicitated on stage for their outstanding achievements. This gesture served to commemorate their success and inspire others within the NITCO community.

The guests at the launch were captivated by the wide variety of designs showcased in the Casa Eterna collection. Many of them were so impressed that they immediately pre-ordered their preferred designs, intending to introduce them to their respective markets.

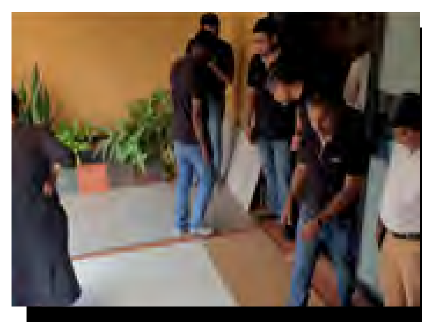
On the second day of the event, the NITCO fraternity revisited the display in the basking daylight of Goa, providing an opportunity for the sales counterparts to experience the designs first-hand. This session resulted in record-breaking pre-bookings, reflecting the high level of interest generated by the Casa Eterna collection.

In addition, around 90+ architects based in Goa were invited to interact with NITCO and experience the Casa Eterna collection under the golden sunlight. The architects expressed profound inspiration drawn from every design concept in the collection and expressed their immediate intent to utilize NITCO's products.

To celebrate the success of the Casa Eterna Launch, a town hall meeting was held at NITCO's headquarters in Kanjurmarg. The entire team came together to acknowledge and appreciate the efforts of every individual and team involved in making the launch a resounding success. Overall, the Casa Eterna'23 Launch event was a remarkable showcase of NITCO's commitment to elegance and luxury. The unveiling of the collection, the recognition of top performers, the overwhelming guest engagement, and the celebration of success all contributed to a memorable and successful event.

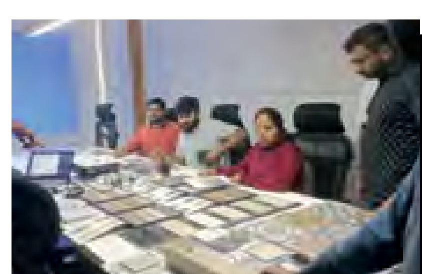
Road Shows

A total of 17 road shows were organized by NITCO Limited's Business Development Team to enhance product awareness in the market. These roadshows aimed to familiarize architects with the texture, touch, and feel of NITCO's products. NITCO ensured that random faces within each product were showcased during these road shows, ensuring consistency in variation when the product was installed.



Architect Group Presentation

Team NITCO conducted 124 group presentations, both online and offline, specifically tailored for architects. These comprehensive presentations covered various aspects, including the company's marble processing unit, the advantages of cut-to-size marble, the extensive range of mosaic inlay work, and the diverse selection of imported and Indian tiles. Completed project stories and accompanying images were also shared during the presentations. Feedback was actively sought, and any doubts or queries were promptly addressed, ensuring a thorough and informative interaction with the architect community.



New Store Openings

NITCO Limited has been expanding its global reach, with new outlets established across various regions, including India. The company's projects section has successfully launched 27 franchise stores with in-store features, showcasing NITCO's commitment to providing innovative solutions to its customers. The North and East Zones have seen the most significant growth, followed by the South Zone. These developments highlight NITCO's continued progress and dedication to meeting the needs of its customers, both domestically and internationally.

NITCO expands into the African Continent

NITCO is pleased to announce its entry into the Kenyan market, marking a significant milestone as our first venture into the African continent. We have established an exclusive distributor in Nairobi, Kenya, boasting a spacious showroom spanning 1700 sqft. This dedicated space showcases an extensive collection of NITCO products, featuring up to 200 captivating designs for customers to explore.

The showroom in Nairobi has received a highly positive response from the market, highlighting the strong demand for NITCO's offerings. The successful establishment of our presence in Kenya exemplifies our commitment to expanding our global footprint and catering to diverse markets. This strategic entry into the Kenyan market sets the stage for further growth and opportunities in the African continent.

NITCO remains focused on delivering exceptional quality, innovative designs, and superior customer service as we continue to strengthen our position as a global leader in the tile industry.

New Product Introduction - 2022 Highlights

NITCO is delighted to present a selection of remarkable new product introductions that marked our journey in 2022. These innovations exemplify our unwavering commitment to excellence in design, innovation, and customer-centricity.

Ceramic Tile Collection launch - May 2022

In May 2022, we proudly introduced our premium Ceramic Tile Designs, a testament to our unwavering commitment to innovation and design excellence. These exceptional additions, available in 1200x600mm and 600x600mm sizes, represent a fusion of artistry and functionality, offering a transformative experience for interior spaces. Here are some of the standout series that define our ceramic tile collection:

PRADA Series

Elevate Your Space with Elegance

Inspired by Cement Textures: The PRADA Series redefines sophistication with its cement-inspired textures, bringing an urban chic aesthetic to interiors.

Subtle Color Palette: Available in serene shades of grey, blue, and bottle green, this series exudes timeless charm and versatility.

Cotto Series

The Reimagined Classic

NITCO's Classic Revamped: The Cotto Series breathes new life into the timeless classics of NITCO, presenting fresh and captivating design patterns.

Endless Creativity: With exciting new design possibilities, this series allows for imaginative and personalized interiors that stand out.

RIO Series

Extending Our Most Beloved Design

Unparalleled Popularity: Building on the immense popularity of our RIO Series, we have expanded it to include new sizes, providing even more choices for our valued customers.

Timeless Beauty: The RIO Series continues to embody timelessness, offering enduring elegance and style.

Moroccan-Inspired Motifs

Heritage and Class Unveiled

Elevate Aesthetics: Our Moroccan-inspired design motifs add a touch of heritage and class to any space, creating an atmosphere of timeless beauty.

Captivating Elegance: These designs transport your senses to far-off lands, immersing you in the enchanting world of Moroccan culture.

Incorporating these premium Ceramic Tile Designs into your spaces ensures a harmonious blend of form and function. We invite you to explore the artistry, craftsmanship, and innovation that define these collections, as they continue to shape the way we perceive and experience interior design.

Casa Eterna March 2023

September 2022

Expanding Horizons: In March 2023, we took a significant step by unveiling an extraordinary range of premium Tile Designs.

Large Format Magnified Tiles (1200x1800 mm): These larger-than-life tiles redefine spaces with their grandeur, offering captivating carving, high gloss matte, and inlay design styles in both marble stone and cement typologies.

Special Finishes for Specific Needs: Our technologically advanced products now include special finishes, such as the unique "LUCENT" finish designed to enhance safety for spaces with senior citizens. This finish becomes more skid-resistant when exposed to water, making it the ideal choice for homes with senior citizens and those prone to accidents.

Carving Finish without Etching: The Carving finish, a hallmark of innovation in this size series, delivers the allure of matte aesthetics without any etching effect on the tile, adding functional elegance to spaces.

Luxurious Glazed Vitrified Tiles *(800x1600 mm):*

Exquisite Marble, Cement, and Stone Typologies: In the 80x160 cm size category, we introduced a luxurious assortment of glazed vitrified tiles featuring matte, high gloss, and carving effects. This Casa collection is distinguished by its exotic marble-inspired designs.

Distinctive Differential Finishes: The collection offers four distinctive differential finishes - Plush, Yob, Lucent, and Iced, garnering significant interest from our esteemed dealer network, architects, and interior designers.

Tailored to Audience Needs: Our new collection is designed to cater to diverse segments of our audience, including senior citizens and pet-friendly surfaces, ensuring that there is a perfect choice for every requirement.

Innovative Wall Products

(300x450 mm and 300x600 mm)

Nature-Inspired Casa Series: Our wall category introduces an array of remarkable products in sizes 300x450 mm and 300x600 mm, drawing inspiration from nature with elements of flora, birds, 3D punch impressions, Spanish inspired handmade designs and geometric patterns.

Noteworthy Collections: The Perini series, Scallops and Murano collections have gained widespread appreciation and acceptance among our valued dealer network and architects in these categories.

These new product introductions epitomize NITCO's commitment to pioneering innovation, exceptional design, and addressing the evolving needs of our discerning customers. As we move forward, we eagerly anticipate the continued success and growth of our Casa collection, striving relentlessly to offer unparalleled quality and aesthetics within the tile industry.

All these products are available across all Nitco Dealers and sub-dealer stores in India.

NITCO LIMITED
CIN: L26920MH1966PLC016547
Registered Office: Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400 042
Tel: +91 22 25772800 / 25772790
Email: investorgrievances@nitco.in / Website: www.nitco.in

NOTICE

Notice is hereby given that the **57th Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Monday, September 25, 2023 at 11:30 A.M. (IST)**, through Video Conferencing (VC) /Other Audio Visual means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Reports of Board of Directors and the Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Ratification of Remuneration payable to Cost Auditor for the Financial Year 2023-24.**

   To consider and, if thought fit, to pass 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) and any other applicable provisions/ statute as may be applicable from time to time, the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses and applicable taxes, payable to M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration No. 101435 / Membership No. 10682), who have been appointed by the Board of Directors as the Cost Auditors to conduct audit of cost records of the Company for the Financial Year ending March 31, 2024, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors and / or the Chief Financial Officer and / or the Company Secretary be and is hereby *severally* authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
of **NITCO Limited**

Geeta Karira
Company Secretary
Membership No.: A57288

Date: August 12, 2023
Place: Mumbai

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") which sets out details relating to Special Business to be transacted at the 57th Annual General Meeting ("AGM"), is annexed hereto.

2. In compliance with the provision of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and various Circulars issued by the Ministry of Corporate Affairs ("MCA")/ Securities and Exchange Board of India ("SEBI") in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) from time to time, the 57th Annual General Meeting ("AGM") of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue. The facility of VC/OAVM and also casting votes by a member using remote e-Voting as well as e-Voting system on the date of the AGM will be provided by National Securities Depository Limited ("NSDL"). The registered office of the Company shall be deemed to be the venue for the AGM.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form, attendance slip and route map of the AGM are not annexed to this Notice. (However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and cast their votes through e-Voting).

4. Institutional/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting / e-voting at the meeting. The said Resolution/Authorization shall be sent to the Company and Scrutinizer by an e-mail on investorgrievances@nitco.in and sethi.legal@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

5. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

   - **For shares held in electronic form:** to their Depository Participants (DPs);

   - **For shares held in physical form:** to the Company/ Registrar and Transfer Agent i.e. Link Intime India Pvt. Ltd. ("RTA").

6. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company/RTA, for assistance in this regard.

7. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

8. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company/RTA in case the shares are held in physical form.

9. Pursuant to the SEBI's Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023:

   - it shall be mandatory for all holders of physical shares to furnish PAN, Nomination, Contact details, Bank account details and specimen signature for their corresponding folio numbers;

   - the folios wherein any one of the above said document/ details are not available on or after October 1, 2023, will be frozen by the RTA;

   - the shareholder(s) whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents/details as mentioned above. Further, for any payment of dividend, in respect of said frozen folios, will be made only through electronic mode with effectfrom April 1, 2024, subject to the compliance of the above said requirements; and

   - frozen folios will be referred by the RTA / the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

   Hence, the shareholders holding share in physical mode are requested to kindly provide the above said details to the Company/RTA.

10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

11. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, September 18, 2023 through email at investorgrievances@nitco.in. The same will be replied by the Company suitably.

12. In accordance with the applicable MCA Circulars, Notice of the AGM along with the Integrated Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depositories/RTA. Members may note that the Notice and Integrated Annual Report 2022-23 will also be available on the Company's website https://www.nitco.in/corporate/investors/PDFFiles/Annual-Report-2022-23.pdf websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on the website of NSDL i.e. www.evoting.nsdl.com.

13. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, Certificate from the Secretarial Auditors of the Company on implementation of Employee Stock Option Scheme and all documents referred to in the Notice will be available during meeting for inspection in electronic mode.

15. The Company has appointed Mr. Ankit Sethi (Proprietor of Ankit Sethi & Associates), Practising Company Secretary, as scrutinizer to scrutinize the process of remote e-Voting and e-Voting at the AGM in a fair and transparent manner. The voting results shall be declared within two working days of the conclusion of the AGM and the same, along with the consolidated Scrutinizer's Report, shall be placed on the website of the Company (www.nitco.in), NSDL (www.evoting.nsdl.com) and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

16. Subject to receipt of the requisite number of votes, the resolution(s) set out in the Notice of the AGM shall be deemed to be passed at the 57th AGM scheduled to be held on Monday, September 25, 2023.

17. **Instructions for e-voting and joining the AGM are as follows**:

    A. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

    B. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-Voting system as well as the venue. e-voting on the date of the AGM will be provided by NSDL.

    C. The remote e-voting period begins on Thursday, September 21, 2023 at 9:00 A.M. and ends on Sunday, September 24, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 18, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 18, 2023.

D. **<u>How do I vote electronically using NSDL e-Voting system?</u>**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

<u>Step 1: Access to NSDL e-Voting system</u>

a. **<u>Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode</u>**

<u>In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.</u>

<u>Login method for Individual shareholders holding securities in demat mode is given below:</u>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for CDSL Easi / Easiest facility can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also log in using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

b. **Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

  Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
    - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - iii. How to retrieve your 'initial password'?
        - ➢ If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
        - ➢ If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
- If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
    - a. Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
    - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
    - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

I. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

II. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

III. Now you are ready for e-Voting as the Voting page opens.

IV. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

V. Upon confirmation, the message "Vote cast successfully" will be displayed.

VI. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

VII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Instructions:

➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

➢ In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 and 022-24997000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

➢ In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorgrievances@nitco.in.

➢ In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorgrievances@nitco.in. If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the 57th AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to investorgrievances@nitco.in on or before Monday, September 18, 2023:

Name of Shareholder (including joint holder)	
DPID-CLID / Folio Number	
Permanent Account Number (PAN)	
Mobile Number & Email ID	
Profession	
Query in brief	

* *All fields are mandatory*

* *The member whose details are incomplete or inaccurate will not be considered for Speaker*

* *Only those Member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the 57th AGM.*

* *Further, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.*

ANNEXURE TO NOTICE

Explanatory Statement in respect of the Special Business pursuant to Section 102(1) of the Companies Act, 2013:

Item No.3

Section 148(3) of the Companies Act, 2013 ("the Act") read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s), amendment(s) or re-enactment(s) thereof], requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on May 30, 2023, on recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435 / Membership No. 10682) as the Cost Auditors of the Company for the Financial Year 2023-24 at fees of Rs. 50,000/- (Rupees Fifty Thousand Only) plus out of pocket expenses and applicable taxes as applicable for conducting the audit of the cost accounting records of the Company.

The resolution contained in Item no. 3 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the Financial Year 2023-2024.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 3 of the Notice.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 3 of accompanying Notice for the approval of the Members.

Information pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India regarding the Director proposed to be re-appointed:

Name of Director	Mr. Vivek Talwar
DIN	00043180
Date of Birth and Age	October 9, 1956 (66 years)
Date of Appointment	Appointed on the Board as a Director since 1980. Reappointed as Chairman & Managing Director w.e.f April 01, 2023
Expertise in specific functional areas	Mr. Vivek Talwar has a rich experience of over 41 years in the tile industry. He was instrumental in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate.
Directorships held in other listed companies	B L Kashyap and Sons Limited
Memberships/Chairmanships of committees of other companies	Member of Audit Committee of B L Kashyap and Sons Limited
Number of Equity Shares held in the Company	6323669

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel, in respect of the above Director, please refer to the corporate governance report which is a part of the Annual Report.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 57th Annual Report on the business and operations of the Company together with the audited statement of accounts of the Company for the year ended March 31, 2023.

FINANCIAL RESULTS

The highlights of the financial results for the year ended March 31, 2023 are as follows:

(Rs. in Crore)

For the year ended March 31, 2023	Standalone		Consolidated	
	2023	2022	2023	2022
Total Revenue	**386.17**	**416.12**	**388.24**	**418.08**
Profit /(Loss) before interest, depreciation and tax	**(32.79)**	**(31.54)**	**(32.78)**	**(31.81)**
Interest & Financial Charges (Net)	73.35	64.33	73.35	64.33
Depreciation	29.26	30.00	29.26	30.00
Exceptional Items (Loss)	(15.85)	-	(15.85)	-
Profit/(loss) from Continuing Operations before tax	**(151.25)**	**(125.87)**	**(151.24)**	**(126.14)**
Provision for tax including taxes for earlier years		-	0.01	-
Net Profit/(loss) from Continuing Operations after tax	**(151.25)**	**(125.87)**	**(151.25)**	**(126.14)**
Net Profit/(loss) from Discontinuing Operations	**-**	**-**	**-**	**-**
Profit/(loss) after tax	**(151.25)**	**(125.87)**	**(151.25)**	**(126.14)**

REVIEW OF OPERATION

During FY 2022-23, your Company was able to achieve consolidated revenue of Rs.388.24 Crore. The revenue decreased by 7.13% over last year. The Company is enjoying strong brand equity in the market. Consolidated EBITDA loss was Rs. (32.78) Crore in FY 2022-23.

SHARE CAPITAL

During the year under review, there is no change in the Issued, Subscribed and Paid-up Share Capital of the Company.

As on March 31, 2023, the Authorised Share Capital of the Company is Rs. 2,300,000,000/- divided into 80,000,000 Equity Shares of Rs. 10/- each and 150,000,000 Preference Shares of Rs. 10/- each.

Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023 is Rs. 2,218,589,550/- divided into 71,858,955 Equity Shares of Rs. 10/- each and 150,000,000 Preference Shares of Rs. 10/- each.

TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves for the year ended March 31, 2023.

EMPLOYEE STOCK OPTION PLAN (ESOP)

With a view to motivate, attract and retain key employees of the Company, the Company introduced a "Nitco - Employees Stock Option Plan – 2019" (NITCO - ESOP - 2019) which was approved by the shareholders on March 30, 2019. The Plan is introduced to create, grant, offer, issue and allot such number of Stock Options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 12,00,000 (twelve lakhs) equity shares of face value of Rs. 10 (ten) each.

During the year under review, there are no material changes in the NITCO- ESOP 2019 and the same is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 or SEBI (Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021 ("the Regulations"). The Disclosure pertaining to ESOPs required to be made under the Companies Act, 2013 ("the Act") and the rules made thereunder and the Regulations are provided on the website of the Company at https://www.nitco.in/corporate/investors/esop

BORROWING

JM Financial Asset Reconstruction Company Limited (JMFARC) acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from the Cut-Off date 28th February 2018. Interest on restructured loans has been provided in the books as per the Restructuring agreement with JMFARC.

The Company has fully repaid the amount due to DBS Bank. Further, the Company is negotiating with LIC for restructuring of its facility (outstanding Rs. 18.87 Crore) on terms similar to the restructuring done by JMFARC. Pending negotiations with LIC, no further adjustments in respect of the LIC facility have been made.

There was a default in repayment of term loan installments fallen due and payment of interest together aggregating Rs. 660.82 Crore as on March 31, 2023.

DIVESTMENT IN JOINT VENTURE COMPANY

The Company is in the process of selling the entire stake in New Vardhman Vitrified Pvt. Ltd. (NVVPL). Last year the Company has received the advance consideration amount towards the said divestment, however, the transfer of shares of NVVPL could not be completed due to the non-receipt of no objection certificate from one of the lenders of the Company. As on March 31, 2023 the shareholding of the Company in New Vardhman Vitrified Private Limited is 49%, however, the Company has no influence over NVVPL or its KMP nor it controls the composition of its board.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 (the "Act") and Accounting Standard (AS-21) on consolidated financial Statements, the audited consolidated financial statement forms part of the Annual Report.

The Statement required under Section 129(3) of the Act in respect of the subsidiary companies is provided in **Annexure I** of this report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company / its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection by any member at the Company's / Subsidiary's Registered Office and/or Corporate Office.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, there was no change in subsdiaries, Associates and/ or Joint Venture of the Company.

CREDIT RATING

The last credit rating issued to the Company by CARE Limited was on October 1, 2012. However, the credit rating is under suspension at present as the Company was under Corporate Debt Restructuring.

DIVIDEND

The Board does not recommend any dividend for the Financial Year ended March 31, 2023.

MATERIAL CHANGES

Lockout at Tiles manufacturing unit at Alibaug

On January 27, 2020 lockout has been declared at the tiles manufacturing unit at Alibaug for a temporary period. The lockout was necessitated due to non-co-operation, coercive and threatening tactics by workmen at the factory premises and with a view to safeguard the interest of the organisation, the safety and security of the personnel and the property of the Company.

During the year, the Company had reached a settlement with the Alibaug Union representing the 250 workmen of the plant out of which 240 workers had accepted the agreement. Under the terms of the agreement, the workers had been offered a Voluntary Retirement Scheme (VRS) and an Exgratia amount in addition to their statutory dues that were already paid by the Company. 10 workers who had not accepted the settlement filed a case against the Management of the Company and the matter is still pending before the Industrial Labour Court, Thane. The Lockout at the Alibaug Plant still continues.

MATERIAL DEVELOPMENTS

Technical Training Initiatives - Internal

Induction & Marble Training Program

The company conducted an induction and training program for Business Development Executives, focusing on enhancing product knowledge, providing insights into the Silvassa plant, and familiarizing executives with the organization's mission, rules, regulations, and working conditions. Through comprehensive training sessions and a visit to the plant, executives gained a deeper understanding of the product portfolio and operational processes. The program emphasized alignment with the company's mission and values, ensuring professionalism and ethical conduct. By familiarizing executives with working conditions, the program facilitated their successful integration into their roles. This investment in development supports business growth and upholds the company's commitment to excellence.

Technical Training Initiatives - External

During the financial year of 2022-2023, the NITCO team successfully conducted a total of 385 training meetings, showcasing our commitment to imparting technical knowledge and expertise. These initiatives aimed to enhance the skills and understanding of various stakeholders, including sales staff, engineers, dealers, masons, and contractors. Our training programs focused on product knowledge, brand positioning, technical superiority, and design excellence.

Dealers Salesmen Meet

Dealers Salesmen Meets were organized to train the sales staff of our dealers on our wide range of products. These meetings aimed to equip them with the necessary knowledge and skills to effectively promote and sell our products to customers.

Engineers Meet

To showcase the technical superiority and design supremacy of our brand and products, we conducted 34 Engineers Meets. These meetings provided a platform for our technical experts to present the unique features and advantages of our products to engineers, fostering a deeper understanding and appreciation of our offerings.

Induction Meet with New Dealers

Thirteen Induction Meets were held specifically for newly on boarded dealers. These sessions provided them with an overview of our products, brand identity, and established market position. Additionally, it served as an opportunity to address any queries or concerns and create a strong foundation for collaboration.

Mason & Contractor Meetings

We conducted 44 meetings with masons and contractors, aimed at educating them about our products, brand, and market dominance. These interactions also served as a valuable forum for gathering their opinions and suggestions, which were shared with our research and development team for consideration.

Warehouse Training Program

A noteworthy initiative that sets us apart in the industry is our extensive Warehouse Training Program. We conducted 179 training programs in collaboration with our technical specialists, focusing on best practices in logistics and product handling. This comprehensive training aimed to optimize inventory management, reduce costs, and improve overall efficiency. The technical training initiatives undertaken by the NITCO team during the financial year 2022-2023 reflect our dedication to empowering stakeholders with the knowledge and skills necessary to succeed in their roles. These efforts have not only enhanced product understanding but also strengthened relationships with sales staff, engineers, dealers, masons, and contractors, reinforcing our position as a leader in the market.

Team NITCO at De-suung Skilling Program

NITCO Limited proudly collaborated with the De-suung Skilling Program (DSP) initiated by His Majesty the King of Bhutan, providing expertise in the field of construction. As part of this esteemed initiative, NITCO's team of experts conducted a two-week training program on Floor & Wall Tiling, imparting their knowledge to 23 enthusiastic participants. The DSP aims to up skill unemployed Bhutanese youths, empowering them with high-quality training aligned with regional and international standards. NITCO's involvement in this program reflects their status as pioneers in the industry, with over 70+ years of experience. This collaboration signifies a significant milestone in knowledge transfer and recognizes NITCO's contribution to the nation-building efforts of Bhutan.

NITCO Marble Initiatives

NITCO Marble - Superior Marble Sourcing

As part of our continuous pursuit of excellence, the Marble team's panel of experts undertook extensive sourcing expeditions across Europe and North America. With unwavering determination, they meticulously scoured the best quarries in the region, dedicated to unearthing superior marble. This tireless endeavor resulted in the identification and procurement of an exquisite range of collections. The exceptional craftsmanship applied to these marbles has resonated profoundly with our esteemed architects and builder clientele, who have wholeheartedly embraced these products. This successful acquisition of superior marble not only elevates the artistic value of our offerings but also strengthens our position as a trusted provider of exceptional materials.

NITCO Marble Awareness Campaigns

NITCO Limited's Marble sales team left no stone unturned in the previous year, conducting an impressive 7,324 meetings with architects, interior designers, and builders. These purposeful engagements played a pivotal role in promoting NITCO's marble business and identifying potential avenues for growth. Combining the convenience of online interactions with the immersive experience of in-person meetings and guided tours of our renowned Nitco Marble Factory Yards in Silvassa and Mumbai, our team successfully nurtured numerous business opportunities. This concerted effort and strategic approach have cemented NITCO's reputation as a trusted partner in the marble industry.

Coverings Las Vegas Nevada 2022

NITCO Limited actively participated in the prestigious international trade fair and exhibition, Coverings, held in Las Vegas, Nevada, as part of its annual activities. The company showcased an impressive range of handcrafted tiles, exotic porcelain Tiles, water jet mosaics, MOP mosaics, curated hardwood tile planks, press porcelain mosaics, and other exceptional products. The captivating display, featuring exquisite combinations of Carving marble tiles and striking High glossy Tile slabs, garnered significant attention and engagement from both domestic and international visitors. NITCO's participation in Coverings showcased its unwavering commitment to superior craftsmanship, innovative design, and its strong position in the global ceramic industry.

Cersaie Italy 2022

In September 2022, NITCO Limited had the privilege of participating in the esteemed international trade fair and exhibition, Cersaie, held in Bologna, Italy. As a leading manufacturer in the ceramic and Porcelain tiles industry, NITCO showcased its exotic range of tiles, attracting significant attention and generating numerous inquiries from overseas visitors. The captivating display and exciting product offerings showcased NITCO's commitment to innovation and design excellence. NITCO's participation in Cersaie further strengthened its position as a key player in the global ceramic tile market, reflecting the company's dedication to delivering high-quality products that inspire and captivate customers worldwide.

Dialogue Event, October 2022

In October 2022, NITCO Limited actively participated in the renowned 11th Edition of Dialogues, a distinguished design event. This significant gathering brought together more than 40 top-notch interior designers and architects, fostering an environment conducive to collaborative ventures and synergistic opportunities. NITCO capitalized on this platform to present its exclusive product line to India's esteemed architects. The company's dedicated team meticulously curated a specialized range of products, with a captivating marble display section that garnered considerable attention. Alongside, NITCO showcased its finest tile collections throughout the event, capturing the interest of attendees. Over the span of three days, the NITCO team actively engaged with industry professionals, establishing valuable connections and exploring promising business prospects. NITCO's participation in Dialogues exemplifies the company's unwavering commitment to excellence and its ongoing efforts to collaborate with influential figures in the industry.

Brunch by the Sea 2023

NITCO Limited's Managing Director, Mr. Vivek Talwar, hosted a memorable seaside brunch in Alibaug on January 21, 2023. The event was attended by esteemed members of the business fraternity, including top architects, interior designers, and builders. Notable guests, such as Team Hafeez Contractor and Sanjay Puri, along with other valued business partners, gathered to relax, rejuvenate, and foster strong relationships with NITCO's senior management and business teams. This successful initiative served to reinforce existing connections and forge new ones within our target audience. The event showcased the unity of our business relations, leaving a lasting impression on the industry. The strengthened relationships resulting from the brunch translated into a positive surge in our business in the subsequent months, demonstrating the significance of empowered connections in driving growth.

HI-AIM Nepal, February 2023

Team NITCO actively participated in the HI-AIM Conference +Exposition in Nepal, showcasing our extensive range of marble collections alongside the Marble & Business development team. HI-AIM serves as a significant forum for the hospitality industry, facilitating knowledge sharing among hoteliers, decision makers, architects, and interior designers. This 2-day event featured renowned speakers, panel discussions, and an exposition showcasing the top 50 brands in hospitality design and construction. With extensive media coverage and global participation, HI-AIM provided invaluable networking opportunities and insights on design, sustainability, and emerging trends. Attending this event was crucial for Team NITCO's core team and key decision-makers to stay at the forefront of industry advancements.

Casa Eterna Launch March 12, 2023

The CASA Eterna'23 Launch event, held at the Grand Hyatt Goa on March 12th was a grand affair that showcased NITCO's exquisite range of tiles to esteemed guests, including 500+ dealers from across India. The event took place on the open lawn facing the sea at the beautiful property, creating an atmosphere of elegance and luxury.

NITCO unveiled over 250+ new products as part of the Casa Eterna collection, leaving the NITCO fraternity in a state of excitement and awe. The Managing Director, Mr. VIVEK Talwar, expressed his enthusiasm for the event and introduced the senior management team of NITCO. Mr. Divvyang Chedda, Ms. Anikaa Wasan, and Ms. Chaandee Wasan joined the MD for the Lamp lighting ceremony, symbolizing the inauguration of the occasion.

During the event, the top performers of the fiscal year 2022-2023 were recognized and felicitated on stage for their outstanding achievements. This gesture served to commemorate their success and inspire others within the NITCO community.

The guests at the launch were captivated by the wide variety of designs showcased in the Casa Eterna collection. Many of them were so impressed that they immediately prebooked their preferred designs, intending to introduce them to their respective markets.

On the second day of the event, the NITCO fraternity revisited the display in the basking daylight of Goa, providing an opportunity for the sales counterparts to experience the designs first-hand. This session resulted in record-breaking pre-bookings, reflecting the high level of interest generated by the Casa Eterna collection.

In addition, around 90+ architects based in Goa were invited to interact with NITCO and experience the Casa Eterna collection under the golden sunlight. The architects expressed profound inspiration drawn from every design concept in the collection and expressed their immediate intent to utilize NITCO's products.

To celebrate the success of the Casa Eterna Launch, a town hall meeting was held at NITCO's headquarters in Kanjurmarg. The entire team came together to acknowledge and appreciate the efforts of every individual and team involved in making the launch a resounding success. Overall, the Casa Eterna'23 Launch event was a remarkable showcase of NITCO's commitment to elegance and luxury. The unveiling of the collection, the recognition of top performers, the overwhelming guest engagement, and the celebration of success all contributed to a memorable and successful event.

Road Shows

A total of 17 road shows were organized by NITCO Limited's Business Development Team to enhance product awareness in the market. These road shows aimed to familiarize architects with the texture, touch, and feel of NITCO's products. NITCO ensured that random faces within each product were showcased during these road shows, ensuring consistency in variation when the product was installed.

Architect Group Presentation

Team NITCO conducted 124 group presentations, both online and offline, specifically tailored for architects. These comprehensive presentations covered various aspects, including the company's marble processing unit, the advantages of cut-to-size marble, the extensive range of mosaic inlay work, and the diverse selection of imported and Indian tiles. Completed project stories and accompanying images were also shared during the presentations. Feedback was actively sought, and any doubts or queries were promptly addressed, ensuring a thorough and informative interaction with the architect community.

New Store Openings

NITCO Limited has been expanding its global reach, with new outlets established across various regions, including India. The company's projects section has successfully launched 27 franchise stores with in-store features, showcasing NITCO's commitment to providing innovative solutions to its customers. The North and East Zones have seen the most significant growth, followed by the South Zone. These developments highlight NITCO's continued progress and dedication to meeting the needs of its customers, both domestically and internationally.

NITCO expands into the African Continent

NITCO is pleased to announce its entry into the Kenyan market, marking a significant milestone as our first venture into the African continent. We have established an exclusive distributor in Nairobi, Kenya, boasting a spacious showroom spanning 1700 sqft. This dedicated space showcases an extensive collection of NITCO products, featuring up to 200 captivating designs for customers to explore.

The showroom in Nairobi has received a highly positive response from the market, highlighting the strong demand for NITCO's offerings. The successful establishment of our presence in Kenya exemplifies our commitment to expanding our global footprint and catering to diverse markets. This strategic entry into the Kenyan market sets the stage for further growth and opportunities in the African continent.

NITCO remains focused on delivering exceptional quality, innovative designs, and superior customer service as we continue to strengthen our position as a global leader in the tile industry.

New Product Introductions

NITCO is pleased to announce the introduction of an impressive range of new products in our Casa collection. We have expanded our size range to include large format magnified tiles measuring 120x180 cms, encompassing a captivating selection of carving, high gloss matte, and inlay design styles in marble stone and cement typologies. This new size also comes with special finishes which are technologically advanced products designed for specific uses, like the Unique "LUCENT" finish designed for spaces with senior citizens. This unique matter surface becomes more skid resistant when exposed to water make it the best choice for houses with senior citizen and accident prone people. Another Stride of innovation in surfaces in this size series is the Carving finish curated without any etching effect on the tile delivering the beautiful aesthetic in matte finish for additional functionality.

Additionally, in the 80x160cms size category, we have unveiled a luxurious assortment of glazed vitrified tiles in matte, high gloss, and carving effects, available in marble, cement, and stone typologies. This Casa collection exclusive features exotic marble-inspired designs, accompanied by four distinct differential finishes - Plush, Yob, Lucent, and Iced, which have garnered significant interest from our esteemed dealer network, architects, and interior designers. These new impactful innovations with inspiring designs are curated to expand our product offerings to new segments of our audience, from senior citizens to pet friendly surfaces our new collection has the perfect choice for them.

Moving on to our wall categories, we are excited to introduce several remarkable products in sizes 30x45 cms and 30x60cms. These Casa series products draw inspiration from nature, incorporating elements of flora, birds, 3D punch impressions, and geometric patterns, truly exemplifying NITCO's design superiority. Notably, the Perini, Punch, and Handmade collections have gained widespread appreciation and acceptance among our valued dealer network and architects in these categories.

These new product introductions reflect NITCO's commitment to innovation, exceptional design, and meeting the evolving needs of our discerning customers. We look forward to the continued success and growth of our Casa collection, as we strive to provide unparalleled quality and aesthetics in the tile industry.

CHANGES IN THE NATURE OF BUSINESS

The Company continue in the business of manufacturing ceramic (floor/wall) tiles, processing of marble, outsourcing of vitrified tiles and development of real estates and hence, there was no change in the nature of business or operations of the Company, which impacted the financial position of the Company during the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company except as mentioned in the Annual Report, subsequent to the close of FY2022-23 till the date of this Report.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year 2022-23, JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust) - Financial Creditor filed an Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (Hon'ble NCLT) to initiate corporate insolvency resolution process against the Company. The matter is pending for hearing before the Hon'ble NCLT.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no significant and material orders have been passed by any Regulator or Court or Tribunal which would impact the going concern status of the Company and its future operations.

INTERNAL CONTROL SYSTEM

(i) Internal Control Systems and their adequacy

The Company has in place adequate internal controls commensurate with the size of the Company and nature of its business and the same were operating effectively throughout the year. Internal Audit is carried out periodically which covers almost 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, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and 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, 2023 and of the loss of the company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts 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.

MANAGEMENT OF THE COMPANY

Directors and Key Managerial Personnel

a) Appointments during the Year:

1. Mr. Shirish Suvgia was appointed as a Chief Financial Officer & Key Managerial Personnel of the Company with effect from April 12, 2022;
2. Ms. Geeta Karira was appointed as a Company Secretary & Key Managerial Personnel of the Company with effect from July 14, 2022;
3. Ms. Poonam Talwar (DIN: 00043300) was appointed as an Additional Non-Executive Director of the Company, liable to retire by rotation with effect from October 19, 2022 and Members vide Ordinary Resolution passed through Postal Ballot on January 18, 2023 has approved the appointment of Ms. Poonam Talwar as Non-Executive Director;
4. Mr. Ajay Bakshi (DIN: 07038685) was appointed as an Additional Non-Executive Independent Director of the Company for a tenure of 5 years with effect from October 19, 2022 and Members vide Special Resolution passed through Postal Ballot on January 18, 2023 has approved appointment of Mr. Ajay Bakshi as an Independent Directors;
5. Mr. Santhosh Kumar Shet (DIN: 09784476), Mr. Harsh Kedia (DIN: 09784141) and Ms. Priyanka Agarwal (DIN:08089006) were appointed as Additional Non-Executive Independent Directors of the Company for a tenure of 5 years with effect from November 11, 2022 and Members vide Special Resolutions passed through Postal Ballot on January 18, 2023 has approved their appointment as an Independent Director;
6. Mr. Anjanikumar Sharma was appointed as Chief Financial Officer & Key Managerial Personnel of the Company with effect from November 22, 2022; and
7. Mr. Vivek Talwar (DIN: 00043180) was re-appointed as Chairman & Managing Director the Company for a tenure of 3 years with effect from April 01, 2023 and Members vide Ordinary Resolution passed through Postal Ballot on January 18, 2023 has approved appointment of Mr. Vivek Talwar as Managing Director;

In the opinion of the Board, the above Independent Directors appointed during the year have integrity, relevant expertise and experience to act as Independent Directors of the Company.

b) Resignations during the Year:

1. Mr. Prakash Iyer (DIN: 00956349) resigned as an Additional Non-Executive Independent Director of the Company with effect from August 18, 2022;
2. Mr. Manish Puri (DIN: 02615918) and Mrs. Bharti Dhar (DIN: 00442471) resigned as Non-Executive Independent Directors of the Company with effect from September 10, 2022 and September 21, 2022 respectively;
3. Mr. Vivek Grover (DIN: 00421980) and Mr. Rakesh Kashimpuria (DIN: 08816226) ceased to be Nominee Directors of the Company with effect from September 19, 2022; and
4. Mr. Shirish Suvgia resigned as a Chief Financial Officer & Key Managerial Personnel of the Company With effect from closure of business hours of October 12, 2022.

After the closure of the year Mr. Anjanikumar Sharma has resigned as a Chief Financial Officer & Whole-time Key Managerial Personnel of the Company w.e.f. closure of business hours of April 3, 2023. However, he remained available to the Company during the transition period till May 25, 2023.

The Board has placed on record its sincere appreciation for the valuable contribution made by Directors & KMPs during their association with the Company as Director / KMP of the Company.

c) Retire by Rotation

Mr. Vivek Talwar (DIN: 00043180) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The re-appointment of Mr. Vivek Talwar, on his retirement by rotation is forming part of the Ordinary Business in the Notice of ensuing AGM.

d) Declaration by Independent Directors

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 Act and Regulation 16(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Company has also received declarations from all the Directors and Senior Management confirming that they complied with the provision of the Code of Conduct for Board Members and Senior Management of the Company.

Evaluation of the Board, its Committees and Individual Directors

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The performance evaluation of the Non-Independent Directors, the Board as a whole and the Chairman of the Company was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Key Managerial Personnel (KMP)

As on March 31, 2023, the following are the KMP of the Company:

- Mr. Vivek Talwar, (DIN: 00043180) Chairman & Managing Director;
- Ms. Geeta Karira, Company Secretary & Compliance Officer.

Mr. Anjanikumar Sharma, Chief Financial Officer (CFO) ceased to be CFO & KMP w.e.f April 03, 2023.

Meetings of the Board

Nine meetings of the Board of Directors were convened and held during the year. The maximum gap between two meetings was not more than 120 days. The details of meetings of the Board of Directors are provided in the Corporate Governance Report which forms part of the Annual Report.

Committee Composition

The details of the composition of the Committees, number of the meeting held, attendance of the Committee members at such meetings and other relevant details are provided in the 'Corporate Governance Report' which forms the part of the Annual Report.

Recommendations of Audit Committee

During the year under review, there were no instances of non-acceptance of any recommendation of Audit Committee of the Company by the Board of Directors.

Remuneration Policy

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

CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on the Corporate Governance forms part of the Annual Report. A certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 of the Listing Regulations is given in as separate statement which forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis on matters related to business performance, as stipulated in Regulation 34 of the Listing Regulations is given as 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 material significant related party transaction with the related party of the Company which may have a potential conflict with the interest of the Company at large.

The related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length basis.

There are no material related party transactions and hence disclosure of related party transactions as required under Section 134(3)(h) of the Act in FORM AOC-2 is not applicable for financial year ended March 31,2023.

The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the Board, may be accessed on the Company's website at the link: https://nitco.in/corporate/investors/nitco-policy. Your Directors draw attention of the members to Note 34 to the standalone financial statement which sets out related party disclosures.

DISCLOSURE OF ONE TIME SETTLEMENT OF LOAN

There is no incidence of one-time settlement in respect of any loan taken from Banks or Financial Institutions during the year. Hence, disclosure pertaining to the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loan is not applicable.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

In accordance with the provisions of Section 124(6) of the Act and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company in previous years had transferred 95,929 equity shares of Rs. 10 each held by 258 shareholders to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the financial year(s) 2005-06, 2006-07, 2007-08, 2008-09 and 2010-11. Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules. All corporate benefits accruing on such shares viz. bonus shares, etc. including dividends shall be credited to IEPF.

CORPORATE SOCIAL RESPONSIBILITY

The Board had constituted a Corporate Social Responsibility ("CSR") Committee, in terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, *inter-alia* to give strategic direction to the CSR initiatives, formulate and review annual CSR plans and programmes, formulate annual budget for the CSR programmes and monitor the progress on various CSR activities of the Company.

In view of continuous losses in the preceding financial years, the Company is not required to contribute to the CSR activities as mandated under the provisions of Section 135 of the Act and consequently, the Company had dissolved the CSR Committee w.e.f. August 11, 2021.

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 Act, read with Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2023.

AUDITORS

Statutory Auditor and Audit report

M/s. M M Nissim & Co LLP – Chartered Accountants (FRN: 107122W / W100672), were appointed as Statutory Auditor of the Company by the Members at the 56th Annual General Meeting (AGM) held on September 30, 2022 to hold the office upto the conclusion of 61st AGM to be held in the year 2027.

The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Statutory Auditor has issued a qualified Audit Report for the year ended March 31, 2023.

As regards the Auditors' qualified opinion, the Company is in the process of negotiating with JM Financial Asset Reconstruction Company Limited for the restructuring/ extension of restructuring of its facilities. Pending negotiations, no further adjustment is made.

There was no instance of fraud during the year under review, which was required by the Statutory Auditors to report to the Audit Committee, Board and/or Central Government under Section 143(12) of the Act and Rules framed thereunder.

Secretarial Audit and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Mihen Halani & Associates, (CP No. :12015, FCS No.: 9926) Practising Company Secretaries, to conduct Secretarial audit for F.Y. 2022-23. The Secretarial Audit Report for the Financial Year ended March 31, 2023 is annexed herewith marked as **Annexure II** to this Report.

The Company has also obtained Secretarial Compliance Report for FY2022-23 from M/s. Mihen Halani & Associates, Practising Company Secretaries in practice in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to the requirement of Regulation 24A of the Listing Regulations.

The Secretarial Audit Report/ Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remarks except the following:

Observations made by the Secretarial Auditor	Management Response
There was a delay in conducting Board meeting of the Company for approving financial results of the Company for the quarter and half year ended September 30, 2022. Accordingly, the BSE Limited (BSE) (vide its letter SOP-CReview-December 2022 dated December 14,2022) and National Stock Exchange of India Limited (NSE) (vide its letter NSE/LIST-SOP/FINES/1022 dated December 14,2022) have levied penalties of Rs. 47,200/- each on the Company with respect to non-submission of the financial results within the time period as stipulated under Regulation 33(3) of SEBI (LODR) Regulations, 2015. As informed to us, the Company has filed relevant replies to the Stock exchanges for waiver of penalties along with the supporting documents. The Company is yet to receive response from the stock exchange(s) for the same.	Owing to the circumstances i.e., resignation of five directors within a short span, the constitution of the Board & Board Committees, finalization of the Financial Results for the quarter and half year ended September 30, 2022, and to acquaint the new Board Members with the Company, additional time was required. Therefore the Company was compelled to extend the Audit Committee Meeting and/ or Board Meeting date for submission of the Unaudited Standalone and Consolidated financial results along with the Limited Review Report for the quarter and half year ended September 30, 2022. The Company has an application to the Designated Stock exchange (i.e.BSE Limited) for waiver of penalties along with the supporting documents and also paid waiver application fees of Rs. 10,000/-. The Company is yet to receive response from the stock exchange(s) for the same.
BSE and NSE have imposed/levied penalty of Rs. 10,000/- each on the Company for conducting Board Meeting, held on October 19, 2022, without the presence of requisite quorum as required under Regulation 17(2A) of SEBI (LODR) Regulations, 2015. As informed to us, the Company has filed relevant replies to the Stock exchanges for waiver of penalties along with the supporting documents. The Company is yet to receive response from the stock exchange(s) for the same.	Due to resignation of five directors, the Company had only one Director on the Board i.e. Managing Director, thus to comply with the provision of Section 149(1) (a) of the Companies Act, 2013, the Board Meeting dated October 19, 2022, was called for the appointment of Directors, as per the provisions of Section 174(2)of the Act, which stipulates that the continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number

	of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose. Therefore, the Board Meeting held on October 19, 2022, was called to appoint and increase the number of Directors with one existing Director on the Board which formed a proper quorum for the meeting as per Section 174(2) of the Act. The Company has an application to the Designated Stock exchange (i.e.BSE Limited) for waiver of penalties along with the supporting documents and also paid waiver application fees of Rs. 10,000/-. The Company is yet to receive response from the stock exchange(s) for the same.
Out of the total shareholding of promoter and promoter group only 4242 Equity Shares i.e. 0.01% of the total shareholding of Promoter Category is not in dematerialized form as required under Regulation 31(2) of Listing Regulations	The Company along with promoters is taking appropriate steps for dematerialization of 4242 promoter's shares. Please note that the Promoters entities whose shares are not in demat form were formed decades ago. Further in one of the cases their senior most member who formed the entity expired and PAN was not available for them. The same resulted in nonconversion of physical shares into demat form.

No instance of fraud has been reported by the Secretarial Auditor.

Cost Audit

In terms of the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records, in respect of the marble business, are required to be audited by a qualified Cost Accountant. The Board of Directors, upon the recommendation of the Audit Committee, had appointed R. K. Bhandari & Co, Cost Accountants, as cost auditor for conducting the audit of cost records of the Company for the applicable segment for the Financial Year 2022-23.

The Board, on the recommendation of the Audit Committee, has appointed M/s. R. K. Bhandari & Co, Cost Accountant (Firm Registration No. 101435) as the Cost Auditor of the Company for FY 2023-24. Mr. R.K Bhandri has confirmed that he is free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3)(g) of the Act. He has further confirmed his independent status and an arm's length relationship with the Company. The remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' approval for ratification of the remuneration payable to Mr. R.K Bhandri is included in the Notice convening the AGM.

AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of the requirements of the Act read with the rules made thereunder and Regulation 18 of the Listing Regulations. The Audit Committee details are given in the report on Corporate Governance forming a part of the Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with mandatory applicable Secretarial Standards as prescribed by the Institute of Company Secretaries of India.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Vigil Mechanism as envisaged in the provisions of sub-section (9) of Section 177 of the Act, the rules framed thereunder and Regulation 22 of the Listing Regulations is implemented by the Company through a Whistle Blower Policy to enable the Directors, its employees to voice their concerns or observations without fear, or raise reports of instance of any unethical or unacceptable business practice or event of misconduct/ unethical behavior, actual or suspected fraud and violation Code of conduct etc. to the Audit Committee.

Under the Whistle Blower Policy, confidentiality of those who are reporting violation(s) is protected and they shall not be subject to any discriminatory practices. The Policy also provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website: https://www.nitco.in/corporate/investors/nitco-policy.

During the year under review, the Company has not received any Complaint through Vigil Mechanism.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year ended March 31, 2023 is hosted on the website of the Company and can be accessed at https://www.nitco.in/corporate/investors/PDFFiles/Annual-Return-2022-23.pdf

DIRECTOR'S FAMILIARISATION PROGRAMME

The Company through its Chairman & Managing Director/ Senior Managerial Personnel/ CFO etc. had made presentations at the Board Meetings to the Independent Directors covering *inter alia*, aspects on business and performance updates of the Company, global business environment, business strategy and risks involved. The programmes were aimed to provide insights into the Company to enable the Independent Directors to take well informed timely decisions and contribute in the growth of the Company. The details of the training and familiarisation programme are provided in the Corporate Governance Report and is also available on the website of the Company at https://www.nitco.in/corporate/investors/nitco-policy

Number of programmes held during Financial Year 2022-23:

Details of attendance of Independent Directors in familiarization programmes:

Sr No.	Subject Matter of the Programme	Day/ Date	Time Duration	No. of programmes attended		No of hours spent	
				During the year	Cumulative Till date	During the year	Cumulative Till date
1	Nature of business and business model of the Company, Company's strategic and operating plans	Friday, March 31, 2023	1:15 Hours	FY 2022- 23	1	2022-23	1:15 Hours

PARTICULARS OF EMPLOYEES

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

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.

APPRECIATION AND ACKNOWLEDGEMENT

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

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Date: May 30, 2023
Place: Mumbai

ANNEXURE I

AOC-1 (Annual Performance of Subsdiaries)

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

(Rs. In Lacs)

Name of Subsidiary Company	Nitco Realties Pvt. Ltd.	Glamorous Properties Pvt. Ltd.	Opera Properties Pvt. Ltd.	Nitco IT Parks Pvt. Ltd.	Feel Better Housing Pvt Ltd	Maxwealth Properties Pvt Ltd	Nitco Aviation Pvt Ltd	Quick Solution Properties Pvt Ltd	Roaring-Lion Properties Pvt Ltd	Meghdoot Properties Pvt Ltd	Silver Sky Real Estate Pvt Ltd	Ferocity Property Pvt Ltd	Aileen Properties Pvt Ltd	Quick Innovation lab pvt Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Share Capital	2.00	125.00	5.00	1.00	1.00	1.00	100.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	-22.77	245.16	-0.77	-51.04	-1.94	-1.36	-0.46	133.22	-111.50	-1.28	-1.33	-0.35	-0.41	-0.11
Total Assets	6,201.69	503.05	368.04	0.32	452.56	334.74	103.68	145.81	26.99	606.77	436.48	394.43	3.36	1.50
Total Liabilities	6,222.47	132.88	363.81	50.36	453.51	335.10	4.14	11.59	137.49	607.05	436.81	393.78	2.76	0.61
Investments (except investment in subsidiary companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Turnover (Incl. other Income)	-	203.19	-	-	-	-	-	3.51	-	-	-	-	-	-
Profit before taxation	-0.47	-1.02	-0.06	-0.04	-0.04	-0.07	-0.04	3.47	-0.04	-0.05	-0.04	-0.07	-0.04	-0.04
Provision for taxation	-	-	-	-	-	-	-	0.80	-	-	-	-	-	-
Profit after taxation	-0.47	-1.02	-0.06	-0.04	-0.04	-0.07	-0.04	2.67	-0.04	-0.05	-0.04	-0.07	-0.04	-0.04
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

ANNEXURE II

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NITCO Limited
CIN: L26920MH1966PLC016547
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East), Mumbai - 400042, MH, IN

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, **(the "Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

iii. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not applicable to the Company during the Audit period**;

v. The following Regulations and circulars 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-**(Not applicable during the period under review)**;

   e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **(Not applicable during the period under review)**;

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **(Not applicable during the period under review)**;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable during the period under review)**; and

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable during the period under review)**;

vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

   (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");

   (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the best of our knowledge and belief, 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

a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The committees of the Board are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the directors and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the year;

a. Out of total shareholding of promoter and promoter group, 4242 Equity shares i.e., 0.01% of the total shareholding of the promoter category is not in the dematerialized form as required under Regulation 31(2) of SEBI (LODR) Regulations, 2015;

b. There was a delay in conducting Board meeting of the Company for approving financial results of the Company for the quarter and half year ended September 30, 2022. Accordingly, the BSE Limited (BSE) (vide its letter SOP-CReview-December 2022 dated December 14,2022) and National Stock Exchange of India Limited (NSE) (vide its letter NSE/LIST-SOP/FINES/1022 dated December 14,2022) have levied penalties of Rs. 47,200/- each on the Company with respect to non-submission of the financial results within the time period as stipulated under Regulation 33(3) of SEBI (LODR) Regulations, 2015. As informed to us, the Company has filed an application to the Designated Stock exchange (i.e. BSE Limited) for waiver of penalties along with the supporting documents and also paid waiver application fees of Rs. 10,000/-. The Company is yet to receive response from the stock exchange(s) for the same;

c. There is a continuous default in repayment of principal amount of loans to Banks/Financial Institution(s);

d. BSE and NSE have imposed/levied penalty of Rs. 10,000/- each on the Company for conducting Board Meeting, held on October 19, 2022, without the presence of requisite quorum as required under Regulation 17(2A) of SEBI (LODR) Regulations, 2015. As informed to us, the Company has filed an application to the Designated Stock exchange (i.e. BSE Limited) for waiver of penalties along with the supporting documents and also paid waiver application fees of Rs. 10,000/-. The Company is yet to receive response from the stock exchange(s) for the same;

We further report that during the audit period, the following event/action has taken place having / which may have a major bearing on the Company's affairs in pursuance of the a*bove referred laws, rules, regulations, guidelines, standards, etc. referred to above;*

a. JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust) on September 19, 2022 has revoked restructuring of existing facilities and thereafter initiated the Corporate Insolvency Resolution Process against the Company. As informed to us, the Company is in process of negotiating with JMFARC for restructuring/ extension of restructuring corporate facilities. The Company has filed a reply with NCLT citing appropriate defence. The matter is listed for further hearing. Further, JM Financial Asset Restructuring Company Limited has initiated the Forensic Audit on the Company.

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926
UDIN: F009926E000418455

Place: Mumbai
Date: May 30, 2023

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.

‘Annexure A’

To,
The Members,
NITCO LIMITED
CIN: L26920MH1966PLC016547
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East), Mumbai - 400042, MH, IN

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926
UDIN: F009926E000418455

Place: Mumbai
Date: May 30, 2023

ANNEXURE III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Particulars to section 134(3)(m) of the Companies Act, 2013 read with Rule (8) of the Companies (Accounts) Rules, 2014]

A) Following actions has been taken for the Energy Conservation

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

B) Technology Absorption

Nitco has always invested in the best available technology. Our machinery is state of the art, and our factory operations are almost fully automated. We have a continuous quest for perfection. We therefore ensure that only those tiles, which match our highest standards, are given the Nitco brand label, an assurance for quality. We also have one of the very few automated marble processing plants in the world & the only plant in India.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. Technology imported : No technology has been imported in the last 3 years
b. Year of import : Not Applicable
c. Has the technology been fully absorbed? : Not Applicable
d. If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action : Not Applicable
e. The expenditure incurred on Research & Development : NIL

C) Foreign exchange earnings and outgo:

1. Foreign Exchange earned : Rs. 4,745.48 lakhs
2. Foreign Exchange outgo : Rs. 1,397.82 lakhs

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Date: May 30, 2023
Place: Mumbai

ANNEXURE IV

Statement of Disclosure of Remuneration

[Pursuant to 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 2022-23, the percentage increase in remuneration of Chairman & Managing Director, Company Secretary, CEO and CFO during the financial year 2022-23:

Sr. No.	Name of Director /KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage increase in Remuneration
1	Mr. Vivek Talwar	Chairman & Managing Director	NA	NA
2.	Mr. Shirish Suvagia*	CFO	NA	NIL
3.	Mr. Anjanikumar Sharma@	CFO	NA	NIL
4.	Ms. Geeta Karira	Company Secretary	NA	NIL

* Mr. Shirish Suvagia appointed as Chief Fimancial Officer w.e.f. April 12, 2022 and ceased to be the Chief Financial Officer w.e.f. October 12, 2022.

@ Mr. Anjanikumar Sharma appointed as Chief Financial Officer w.e.f. November 22, 2022

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 2022-23	12.7%
2	Total number of employees of the Company as on 31st March, 2023 (on Standalone basis)	519
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2022-23 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 2022-23 was 12%. The percentile increase in remuneration of Executive Director was NIL.

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

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Date: May 30, 2023
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The world ceramic tile market is projected to grow by more than 3 billion square metres in the five-year period 2022-2026, climbing from 18.2 billion sqm in 2021 to 21.3 billion sqm in 2026, equivalent to a compound annual growth rate (CAGR) of 3.2%. Production volumes will see a corresponding increase to reach 21.5 billion sqm (CAGR +3.3%). These projections are contained in the second edition of the report entitled "Ceramic Tile Market Forecast Analysis - Trend 2022-2026" published by MECS-Acimac, a research centre that combines 30 years of specialist knowledge of the world ceramic industry with a forecasting calculation model that has been finetuned over the last ten years of analyses. The ceramic tile market forecasting survey conducted by MECS involves analysing and cross-referencing a broad set of determining variables in order to predict future trends in production and consumption for each of the 91 countries studied: from macroeconomic trends to the impact of energy and raw materials prices, from changes in consumer purchasing power to population growth and urbanisation, from investment in construction and residential building to variables affecting international trade. The report analysed seven geographical macro-regions along with their constituent countries: 21 countries in the European Union, 6 in non-EU Europe, 3 in North and Central America, 7 in South America, 10 in the Middle East, 16 in the Far East and 26 in Africa, as well as Australia. For each of these countries, the report provides five-year ceramic tile production and consumption values along with macroeconomic indicators to offer a better understanding of the individual market context. This makes it a useful tool for measuring the most attractive and dynamic markets and offering a quantitative analysis of business opportunities. Spotlight on Asia and Africa In 2026, the final year of the five-year forecast period, the fastest-growing region will be Africa, where tile consumption will grow at a CAGR of +6.6% and production +7.3%. At the other end of the scale, non-EU Europe will be the only area to show a slight decline, largely due to the impact of the Russia-Ukraine

However, Asia will continue to account for almost 70% of world tile production and consumption. Excluding the Middle East, the broader Asian region (referred to as the Far East in the study) will see a more than 2 billion square metre increase in both production (CAGR +3.4%) and consumption (CAGR +3.2%) over the five year period. This is five times higher than the increase that will be recorded in Africa, where tile consumption will be just 451 million square metres higher in 2026 than in 2021. As mentioned, world tile production will reach 21.5 billion sqm in 2026, an increase of 3.2 billion sqm compared to 2021. Some 80% of this will be produced by just seven countries, four of which are in Asia: India, China, Vietnam and Bangladesh. While we are unlikely to see any changes amongst the major global players, a number of new countries are emerging on the world stage, several of them in Africa. In terms of production, countries such as Senegal and Nigeria will continue to record double-digit growth rates in response to a corresponding increase in domestic demand, while Cameroon, Uganda and Kenya are expected to see similar growth in consumption.

The Russia-Ukraine war has exacerbated the long-term trend of rising raw material and energy prices that began back in 2019. Energy prices have been seeing unprecedented growth since the first quarter of 2022, in turn slowing the expected rise in GDP following the post-pandemic recovery of 2021. The TTF natural gas price, which for years ranged between €10 and €12/MWh, peaked at over €340/MWh before falling back below €40/MWh in early 2023. Crude oil showed a similar trend, although the scenario is steadily improving thanks to the perception of lower geopolitical risk, the slowdown in GDP growth and the reduced reliance of many European countries on Russian oil imports. In addition, the increase in raw materials and energy prices has contributed to the natural cyclical impact of growth in demand on consumer price inflation (+8.8% in 2022 worldwide). This has also impacted core (i.e. non-energy) inflation, which has exceeded its monetary policy target value. Many central banks (particularly the Federal Reserve System and the ECB) have been required by their statutes to shift their orientation towards restrictive rather than expansionary monetary policies. And although the problem of core inflation is now improving, the combination of low growth and monetary tightening is continuing to propel the world economy towards a high risk of recession. Amid continuing uncertainty surrounding the war in Ukraine, this situation would prove particularly severe if a new financial crisis were to emerge driven by the collapse of some banks, resulting in a contagion scenario similar to that of 2008. Back in October, the IMF revised down its outlook for global economic growth in 2023 to +2.7% (mainly due to the very poor levels of performance estimated for many European countries) and then raised it to +2.9% in January 2023. Following the sharp slowdown in 2022 to +3%, China's GDP growth is expected to accelerate again this year to between +5% and +5.2%. China and India will account for half of the growth in the global economy in 2023 (with India expected to see 6.1% growth), while the US and the Euro area together will make up just 10%

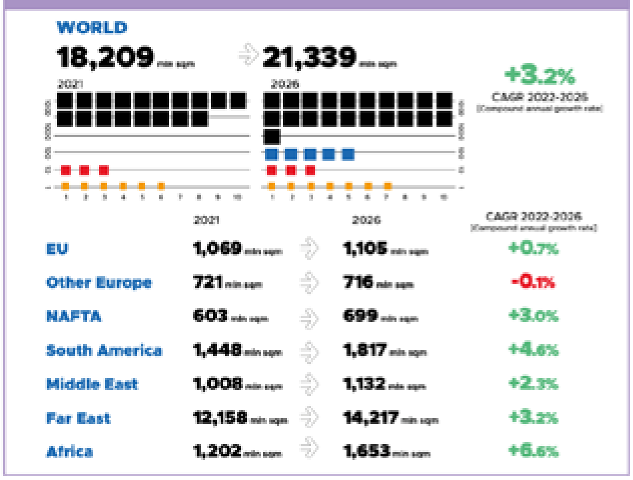
Over the past decade, ceramic tile consumption has grown most rapidly in countries with the strongest population growth and in those with high urbanisation rates, although there are several exceptions to this trend. In several countries (e.g. Lithuania and Croatia) tile consumption is increasing most rapidly outside large urban areas, whereas in others (e.g. Germany and France) consumption is declining despite higher levels of urbanisation. Over the past 20 years, the global rate of urbanisation has outstripped that of population growth (urbanisation of +2.1% on average per annum compared to a population growth of +1.2%). Urbanisation rates are highest in Africa (+3.7%) and Asia (+2.6%) and are expected to remain at these levels for the next few years. In China, and even more so in Bangladesh and Vietnam, the proportion of urban population is still far below the levels of western countries, whereas in Brazil 87% of the population lives in cities, more than in Italy or Germany. However, the urban population growth forecasts for the period 2022-2026 point to a slowdown compared to the previous two decades.

Source: Global Ceramic Industry Report

TAB. 2: URBAN POPULATION BY CONTINENT (MILLIONS) Popolasione urbana per continente (milioni di abitani)					
	2000	**2022**	**CAGR 2000/2022**	**2026**	**CAGR 2022/2026**
Asia	1,401	2,487	2.64%	2,641	1.51%
Africa	286	634	3.68%	726	3.43%
Europe	517	563	0.39%	566	0.15%
North America	385	501	1.21%	516	0.75%
South America	278	373	1.34%	385	0.79%
World	**2,868**	**4,553**	**2.12%**	**4,834**	**1.51%**
World total population	**6,118**	**7,959**	**1.20%**	**8,217**	**0.80%**

Source/Fonte: United Nations

FIG. 1: FORECAST OF TILE CONSUMPTION TRENDS 2022-2026
Previsione dell'evoluzione dei consumi di piastrelle nel periodo 2022-2026



INDIAN ECONOMY & INDIAN CERAMIC TILES INDUSTRY

Kajaria Ceramics, India's largest tile manufacturer and one of the top ten groups in the world, reported exceptional results in the fiscal year to 31 March 2022. Total sales in volume grew 21% year-on-year to 92 million sqm, while revenues were up 33% to Rs. 37.05 billion (approximately US $490 million). The excellent performance continued in the first quarter of the new fiscal year (ended 30 June) with 80% year-on-year revenue growth to Rs. 10.08 billion (around $133 million), representing the seventh straight quarter delivering double-digit revenue growth. EBITDA margin for the quarter remained stable at 15% despite escalating inflation across all inputs and rising gas costs. Moreover, the group continues to maintain its focus on the domestic market (exports account for just 2% of volumes). Kajaria Ceramics has a tile production capacity of 82.8 million sqm/year, consisting of 32.3 million sqm of ceramic tiles produced in 2 factories in Rajasthan, North India and Andhra Pradesh, South India 24.2 million sqm of polished vitrified tiles produced in 2 factories in Gujarat , West India and Rajasthan, North India and 26.3 million sqm of glazed vitrified tiles produced in 3 facilities in Rajasthan & Uttar Pradesh, North India, and Andhra Pradesh (South India). Kajaria Ceramics distributes its products throughout India via a network of more than 1,700 dealers.

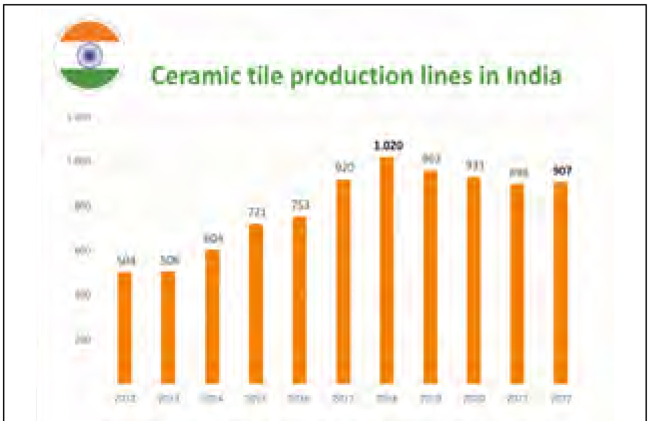
Somany Ceramics is currently in a capacity expansion mode. In May this year, the Indian Group completed the most important capacity expansion project in its recent history. The three new lines increased the group's access to annual production capacity from 63 to 74 million sqm, strengthening its position as India's second largest manufacturer and a top global player.

In the meantime, the Indian ceramic tile industry has further strengthened its position as a global tile player and as the world's second largest manufacturer (above 1.3 billion sqm), consumer (almost 900 million sqm) and exporter behind China. In 2020, India's tile producers chalked up another astonishing success with total exports of 437 million sqm (up 21% on 2019), an achievement that has helped the industry recover more rapidly from the impact of the Covid-19 pandemic. To talk of "double-digit" growth is a significant understatement. When in 2014 India's exports passed the 100 million square metre mark for the first time, it was the result of an 85% upturn, followed by increases of 31% in 2015, 39% in 2016, 23% in 2017, 20% in 2018 and 31% in 2019. Exports also continued to grow in 2021. In the United States, for example, Indian tile exporters were able to increase their sales by 8.9% on 2020 to 20.2 million sqm, with a value (CIF) of US $164.6 million (+21.2% on the previous year). The largest Indian ceramic companies are making substantial new investments aimed at increasing production capacity and productivity.

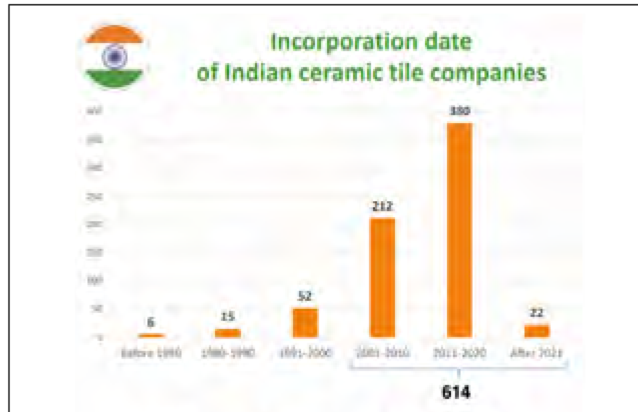
According to IMF forecasts, the Indian economy is on course to grow by 6.1% this year and by 6.8% in 2024 and will outperform all other countries in terms of dynamism after overtaking China last year (by comparison, the IMF forecasts for the Chinese economy are for 5.2% GDP growth in 2023 and 5.2% in 2024).

In Morbi, companies are set up (and merged, demerged and shut down) at a very rapid pace, often by members of the same family. The business community exchanges orders on WhatsApp so that none are ever left unfulfilled, Morbi district (in Gujarat, India's westernmost state), the world's second largest ceramic cluster and home to 95% of India's ceramic tile producers. Questionnaires were sent to more than 800 Indian ceramic tile companies and over 500 responded, allowing the researchers to calculate the industry's total production capacity with an unprecedented level of accuracy as 3.3 billion square metres. Eight out of ten companies were founded after 2000, more than half (55%) were founded in the last ten years, and only six companies have more than 40 consecutive years of activity behind them. In terms of size, seven out of ten ceramic companies have an average annual turnover of less than €10 million and almost half (46.5%) have less than €5 million.

Source: Indian Ceramic Industry Report



Source/Fonte: India, ceramic tile market, MECS, 2023



Source/Fonte: India, ceramic tile market, MECS, 2023

Source/Fonte: India, ceramic tile market, MECS, 2023

Source/Fonte: India, ceramic tile market, MECS, 2023

FINANCIAL REVIEW

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

During FY 2022-23, your Company was able to achieve total revenue of Rs. 381.67 Crore. The Company is enjoying strong brand equity in the market. EBITDA loss was Rs. (48.65) Crore in FY 2022-23.

FINANCE COSTS

JMFARC has acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from Cut-Off date 28th February 2018. Interest on restructured loans has been provided in the books as per the Restructuring agreement with JMFARC. Further, the Company is negotiating a similar settlement agreement with LIC Pending negotiations no further adjustments have been made during the current financial year.

EQUITY SHARE CAPITAL

The Company's equity share capital is stated at Rs 7,185.90 Lakhs as on March 31, 2023.

BORROWINGS

The total debt of the Company is as under:

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Non-Current borrowings	20,000.00	20,002.63
Current borrowings	67,972.16	61,089.93
Total Debt	**87,972.16**	**81,092.56**

WORKING CAPITAL

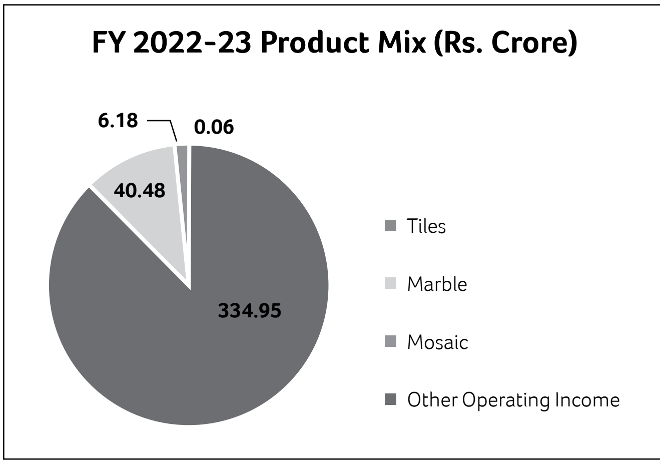
a) Inventory has increased from Rs. 6,360.88 Lakhs in 2021-22 to Rs. 6,772.64 Lakhs in 2022-23;

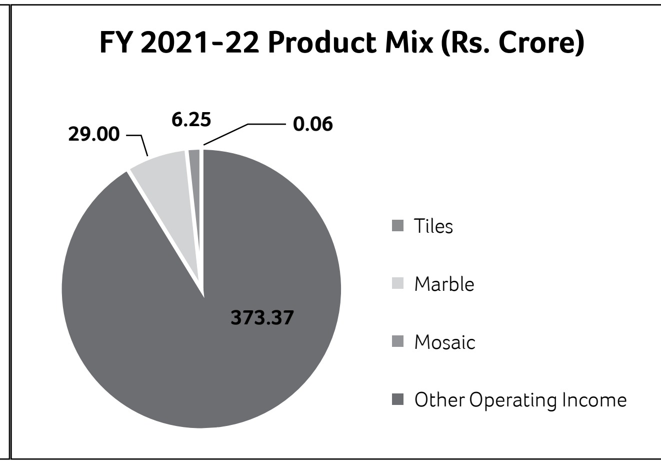
b) Inventory –Real Estate has remained the same i.e. Rs. 15,000.00 Lakhs in 2021-22 and 2022-23;

c) Trade receivables have decreased from Rs. 9,655.00 Lakhs in 2021-22 to Rs. 7,391.54 Lakhs in 2022-23;

d) Trade payables have increased from Rs. 14,228.48 Lakhs in 2021-22 to Rs. 15,857.78 Lakhs in 2022-23.

PRODUCT WISE PERFORMANCE





MANAGING RISKS AT NITCO

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

Risk	Mitigation
Perception risk Inability to sustain historical growth rates could adversely impact brand perception.	Owing to a dynamic and sustainable business plan, continual innovation towards a prudent sales-mix and improving operational efficiencies, the Company will be able to better its sales in absolute terms.
Business slowdown risk Indian economy could create a widening chasm between budgeted and actual ground realities.	The Company has emerged as a one-stop shop for tile solutions, providing floor as well as wall tiles and marble. Metros and urban cities are majorly hit by an economic deceleration while in recent times a majority of the demand for consumer products is emerging from Tier-II and Tier-III locations, which usually remains largely unaffected by economic slowdowns. Thus, as a precautionary measure, the Company strengthened its distribution network in new demand pockets.
Competition risk Increasing competition can have an impact on margins.	Competition from the unorganised sector is expected to decline with rising consolidation, effected by organised players partnering with unbranded players (with low-cost manufacturing expertise) as a part of their cost-efficient expansion strategy. Nitco has developed relationships with several low cost manufacturers for outsourcing its product requirements.
Technology or software obsolescence risk Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.	The Company invested in SAP ERP module, scaling up its IT infrastructure across its sales, distribution and manufacturing divisions and upgraded it to SAP S4 HANA in the FY 2022-23. Design technology will further be enhanced to further strengthen NITCO's aspirational brand position in the minds of the architect, builder, dealer and community in large.
Client attrition risk A substantial portion of the Company's total sales comes from retail clients and large key accounts. Hence, client attrition can impact both revenues and prospective growth.	Providing post-sale services to retail and key account customers and offering guidance programs for institutional customers have been an integral part of Company's initiatives to reinforce relationships. The Company also customises products to cater to specific requirements. Some of its brand-enhancing customers include Tata Group, Reliance Group, Prestige, Rahejas, Godrej, Oberoi Construction, DLF, L&T, Shapoorji Pallonji Group, among others.

Risk	Mitigation
Human resource risk Attrition of key executives and personnel could affect the Company's growth prospects.	Nitco has initiated various measures such as deploying strategic talent management system, training and integration of learning activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.
Dealer attrition risk Dealers represent the Company's face to customers. Reduction in the number of dealers could affect sales and negate brand image.	The Company has introduced a fast-moving range of tiles new product launches, which has revitalised its distribution network and also has adopted franchisee model to expand its network of distribution partners.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF

Sr. No.	Ratio Analysis	March 31, 2023	March 31, 2022	Variance
1	Debtors Turnover Ratio	4.06	2.76	47.5%
2	Inventory Turnover Ratio	4.67	2.97	57.1%
3	Interest Coverage Ratio	(0.07)	(0.05)	38.5%
4	Debt Equity Ratio	(2.55)	(4.16)	-38.8%
5	Operating Profit Margin Ratio	6.12	4.87	25.5%
6	Net Profit Ratio	(39.63)	(30.80)	28.7%
7	Return on Net Worth Ratio	(43.75)	(47.21)	-7.3%

Debtors Turnover Ratio: Improvement on account improved realisation from trade receivables.
Inventory Turnover Ratio: Improvement on account of inventory optimisation.
Interest Coverage Ratio: Deterioration on account of current year accrued interest in borrowings.
Debt Equity Ratio: Deterioration on account of accumulation of current year net loss in equity.
Operating Profit Margin Ratio: Improvement on account of reduction in operating expenses.
Net Profit Ratio: Deterioration is on account of the current year's exception item (Refer Note No. 32)
Return on Net Worth Ratio: Deterioration is on account of the current year's loss.

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 process of the Company includes 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, 2023, the Company's Board comprised of 6 (Six) Directors which include 1 (One) Executive Director, 1 (One) Woman Non-Executive Director and 4 (Four) Non-Executive Independent Directors (including 1 Non-Executive Independent Woman Director). The Board is responsible for the management of the affairs of the Company's business.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (the "Act") as amended from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

None of the Directors on the Board is a Director including Independent Director in more than 7 (seven) listed companies. None of the Directors on the Board of the Company holds directorship in more than 20 (twenty) companies, including 10 (ten) public companies pursuant to the provisions of the Act. All the Directors have confirmed that they do not hold membership in more than 10 (ten) Committees and do not act as Chairperson of more than 5 (five) Audit and Stakeholders Relationship Committees across all public companies in which they are Directors, pursuant to the Regulation 26 of the Listing Regulations.

The Independent Directors of the Company meet the criteria mandated by Regulation 25 of the Listing Regulations and Section 149(6) the Act. The terms and conditions of the appointment of the Independent Directors are hosted on the Company's website: https://www.nitco.in/corporate/investors/PDFFiles/APPOINTMENT-LETTER-OF-INDEPENDENT-DIRECTOR.pdf

(i) Composition

The details of composition of the Board, the number of directorship(s) and the committee chairmanship(s)/membership(s) held by Directors in all companies, their attendance at 56th Annual General Meeting (the "AGM") and at the Board meetings held during the year under review are as given below:

Sr. No.	Name of Diretor/ Director Identification Number (DIN)	Category (Promoter / Independent/ Non- Executive / Executive)	No. of Board Meetings Attended	Attendance at the 56th AGM held on September 30, 2022	Number of Directorships held in other Companies [a]	Number of Board Committee Memberships/ Chairmanships held in other Companies [b]		Directorship in other Listed Entity (ies) & Category of Directorship
						Member	Chairman	
1	Mr. Vivek Talwar DIN: 00043180	Promoter, Executive Director (Managing Director)	9	Yes	16	1	0	BL Kashyap and Sons Limited- Independent Director
2	Ms. Poonam Talwar [c] DIN: 00043300	Promoter Group, Non-Executive Director	3	NA	6	0	0	-
3	Mr. Ajay Singh Bakshi [d] DIN: 07038685	Non-Executive Independent Director	3	NA	0	0	0	-
4	Mr. Santhosh kumar Shet [e] DIN: 09784476	Non-Executive Independent Director	3	NA	0	0	0	-
5	Mr. Harsh Kedia [e] DIN: 09784141	Non-Executive Independent Director	3	NA	0	0	0	-
6	Ms. Priyanka Agarwal [e] DIN: 08089006	Non-Executive Independent Director	3	NA	2	2	0	-

Sr. No.	Name of Diretor/ Director Identification Number (DIN)	Category (Promoter / Independent/ Non- Executive / Executive)	No. of Board Meetings Attended	Attendance at the 56th AGM held on September 30, 2022	Number of Directorships held in other Companies [(a)]	Number of Board Committee Memberships/ Chairmanships held in other Companies [(b)]		Directorship in other Listed Entity (ies) & Category of Directorship
						Member	Chairman	
7	Mr. Manish Puri [(f)] DIN: 02615918	Non-Executive Independent Director	4	NA	NA	NA	NA	NA
8	Mrs. Bharti Dhar [(g)] DIN: 00442471	Non-Executive Independent Director	5	NA	NA	NA	NA	NA
9	Mr. Prakash Iyer [(h)] DIN: 00956349	Non-Executive Independent Director	4	NA	NA	NA	NA	NA
10	Mr. Vivek Grover [(i)] DIN: 00421980	Nominee Director	5	NA	NA	NA	NA	NA
11	Mr. Rakesh Kashimpuria [(i)] DIN: 08816226	Nominee Director	5	NA	NA	NA	NA	NA

Note:

a) Excludes directorships in foreign companies, Section 8 companies and alternate directorships.

b) Includes only Audit and Stakeholders Relationship Committees in accordance with Regulation 26 of the Listing Regulations.

c) Ms. Poonam Talwar was appointed as a Non-Executive Director of the Company w.e.f. October 19, 2022.

d) Mr. Ajay Singh Bakshi was appointed as an Independent Director of the Company w.e.f. October 19, 2022.

e) Mr. Santhosh Kumar Shet, Mr. Harsh Kedia and Ms. Priyanka Agarwal were appointed as an Independent Directors of the Company w.e.f. November 11, 2022.

f) Mr. Manish Puri ceased to be an Independent Director of the Company w.e.f. September 10, 2022.

g) Mrs. Bharti Dhar ceased to be an Independent Director of the Company w.e.f. September 21, 2022 .

h) Mr. Prakash Iyer ceased to be an Independent Director of the Company w.e.f. August 18, 2022.

i) JM Financial Asset Reconstruction Company has withdrawn the nomination of Mr. Vivek Grover and Mr. Rakesh Kashimpuria and accordingly they ceased to be Nominee Directors of the Company w.e.f. September 19, 2022.

Except Mr. Vivek Talwar and Ms. Poonam Talwar, no other Directors are related to each other.

During the year under review, 9 (Nine) meetings of Board of Directors were held on April 12, 2022; May 26, 2022; July 13, 2022; August 08, 2022; September 07, 2022; October 19, 2022; November 22, 2022; December 15, 2022 and February 13, 2023.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

The Board meets at least once in every calendar quarter and 4 (Four) times in a year with a maximum time gap of not more than 120 (One hundred and twenty) days between two consecutive meetings. Dates for the Board meetings are decided well in advance and communicated to the Directors. In case of exigencies or urgency of matters, resolutions are passed through circulation, for such matters as permitted by law. The Board takes note of the resolutions passed through circulation at its subsequent meetings. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board of Directors as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations.

(ii) Details of Shareholding of Directors as on March 31, 2023

Sr. No.	Name of the Director	No. of Shares
1	Vivek Talwar	63,23,669
2	Vivek Talwar (HUF)	27,264
3	Poonam Talwar	1,19,432

Except Mr. Vivek Talwar and Ms. Poonam Talwar, no other director holds any shares in the Company.

(iii) Independent Directors

The term Independent Director has been defined under Section 149 of the Act, the Rules framed thereunder and Regulation 16 of the Listing Regulations.

The Company has received a declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board based on the declarations received from the Independent Directors has verified the veracity of such disclosures. In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Listing Regulations and the Act and they are independent of the management.

The Independent Directors of the Company meet at least once in a year without the presence of Executive Directors and Key Managerial Personnel. They review the performance of Non- Independent Directors and the Board as a whole, 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. Pursuant to Regulations 25(7) and 46 of the Listing Regulations, the details of the Familiarization Programs imparted to Independent Directors are available on the Company's website at https://www.nitco.in/corporate/investors/PDFFiles/Familiarisation-Programme-for-Independent-Directors.pdf?v1.

1 (One) meeting of Independent Director was held during the Financial Year 2022-23 on March 31, 2023. The Non-Independent Directors and members of the management did not take part in the meeting.

(iv) Evaluation Criteria

The Company follows a particular procedure to evaluate performance of each Director, the Board as a whole and its Committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Regulation 17(10) and Section 178 read with Code for Independent Directors as outlined under Schedule IV of the Act on factors including, independence, 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 as whole.

(v) Board Skill Matrix

As on March 31, 2023 the Board comprises of qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Sr. No.	Skill, Expertise and Competencies	Brief Particulars	Names of Directors who possess these skills
1	Leadership	The Board members need to extend leadership experience for an enterprise resulting in a practical understanding of organisation, processes and risk management. Board members need to demonstrate strengths in driving change and long term growth. They should be a thought leader for the Company and be a role model in good governance and ethical conduct of business, while encouraging the organization to maximize shareholder value.	a) Mr. Vivek Talwar b) Ms. Poonam Talwar c) Mr. Ajay Bakshi d) Mr. Santhosh Shet e) Mr. Harsh Kedia f) Ms. Priyanka Agarwal
2	Financial Knowledge	The Board members need to have adequate financial knowledge. They need to have proficiency in financial management, capital allocation and financial reporting processes and should also have the ability to understand financial policies and accounting statements.	
3	Industry knowledge and experience	The Board members need to possess knowledge of the industry/business in which the Company operates viz. Tiles, Marbles, and Mosaic. The Board members should also possess adequate knowledge about the real estate industry.	

Sr. No.	Skill, Expertise and Competencies	Brief Particulars	Names of Directors who possess these skills
4	Governance	The Board members should have experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values	

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The Audit Committee of the Board of Directors is constituted pursuant to the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. As on March 31, 2023 Audit Committee comprised of 4 (Four) Directors out of which 3 (Three) are Non-Executive Independent Directors and 1 (One) is Executive Director of the Company. All the members are well versed with finance, accounts, corporate laws and general business practices. Mr. Harsh Kedia, an Independent Director is the Chairman of the Committee. He is a qualified Chartered Accountant, possesses expertise in finance, administration and management.

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 Act and Listing Regulations. The Committee acts as a link between the Statutory and Internal Auditors and the Board of the Company.

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

a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommend the appointment, remuneration and terms of appointment of auditors.

c) Review, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the board for approval.

d) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

e) Approval or any subsequent modification of Related Party Transactions.

f) Scrutiny of inter-corporate loans and investments.

g) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

h) Review the functioning of the whistle blower mechanism.

Composition, Meetings and Attendance during Financial Year 2022-23 are as follows:

During the year under review, 7 (Seven) meetings of Committee were held on April 12, 2022; May 26, 2022; July 13, 2022; August 08, 2022; September 07, 2022; November 22, 2022 and February 13, 2023.

Sr. No.	Name of the Member	Committee Member / Chairman	No. of Meetings held	No. of Meetings attended
1	Mr. Manish Puri-Chairman [(a)]	Independent Director	5	4
2	Mr. Harsh Kedia- Chairman [(b)]	Independent Director	2	2
3	Mrs. Bharti Dhar [(c)]	Independent Director	5	5
4	Mr. Prakash Iyer [(d)]	Independent Director	4	4
5	Mr. Vivek Talwar	Executive Director	7	7
6	Mr. Ajay Bakshi [(e)]	Independent Director	2	2
7	Ms. Priyanka Agarwal [(e)]	Independent Director	2	2

(a) Mr. Manish Puri ceased to be Chairman w.e.f. September 10, 2022

(b) Mr. Harsh Kedia was appointed as Chairman w.e.f. November 13, 2022

(c) Mrs. Bharti Dhar ceased to be Member w.e.f. September 21, 2022

(d) Mr. Prakash Iyer ceased to be Member w.e.f. August 18, 2022

(e) Mr. Ajay Bakshi and Ms. Priyanka Agarwal were appointed as Members w.e.f. November 13, 2022

Chief Financial Officer, Representative of Statutory Auditors and Internal Auditor are permanent invitees at the Audit Committee meetings.

M/s. M. M Nissim & Co. LLP, Chartered Accountants has carried out the Statutory Audit for Financial Year 2022-23.

Pursuant to the Code of Conduct for Prevention of Insider Trading, the details of the dealing in the Company's securities by the Designated Persons are placed before the Audit Committee on a quarterly basis.

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

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") of the Board of Directors is constituted pursuant to the Regulation 19 of the Listing Regulations and Section 178 of the Act. As on March 31, 2023 the Committee comprised of 3 (Three) Non-Executive Directors out of which 2 (Two) are Independent Directors and 1 (One) is Non-Executive Director of the Company.

The terms of reference of NRC are in accordance with Section 178 of the Act, and Regulation 19 read with Part D of Schedule II of the Listing Regulations. Brief description of the material terms of reference are as follows:

i. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

ii. recommending to the Board their appointment and removal and carrying out evaluation of every director's performance

iii. laying down the evaluation criteria for performance evaluation of Independent Directors, formulating the criteria for determining qualifications,

iv. positive attributes and independence of a director etc;

v. recommend to the board, all remuneration, in whatever form, payable to senior management;

vi. Committee is also authorised for allotment of shares under the ESOP scheme of the Company.

The Company Secretary & Compliance Officer acts as the Secretary of the NRC.

Composition, Meetings and Attendance for the Financial Year 2022-23 are as follows:

During the year under review, 5 (Five) meetings of Committee were held on April 12, 2022; May 26, 2022; July 13, 2022; November 22, 2022 and December 15, 2022.

Sr. No.	Name of the Member	Category	No. of Meetings held	No. of Meetings attended
1	Mrs. Bharti Dhar – Chairperson (a)	Independent Director	3	3
2	Mr. Ajay Bakshi- Chairman (b)	Independent Director	2	2
3	Mr. Prakash Iyer (c)	Independent Director	3	3
4	Mr. Manish Puri (d)	Independent Director	3	2
5	Ms. Poonam Talwar (e)	Non-Executive Director	2	2
6	Mr. Santhosh Shet (e)	Independent Director	2	2

(a) Mrs. Bharti Dhar ceased to be Chairperson w.e.f. September 21, 2022

(b) Mr. Ajay Bakshi was appointed as Chairman w.e.f. November 13, 2022

(c) Mr. Prakash Iyer ceased to be Member w.e.f. August 18, 2022

(d) Mr. Manish Puri ceased to be Member w.e.f. September 10, 2022

(e) Mr. Santhosh Shet and Ms. Poonam Talwar were appointed as Members w.e.f. November 13, 2022

Meetings of the Nomination and Remuneration Committee of the Board of Directors were held on November 11, 2021.

Performance Evaluation Criteria for Independent Directors:

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

(iii) Stakeholders Relationship Committee

The Stakeholder Relationship Committee ("SRC") of the Board of Directors is constituted pursuant to the Regulation 20 of the Listing Regulations and Section 178 of the Act. As on March 31, 2023 the Committee comprised of 3 (Three) Directors out of which 2 (Two) are Non-Executive Director [including 1 (One) Independent Director] and 1 (One) is Executive Director. During the year under review, the Board has appointed, Mr. Santhosh Shet, Non-Executive Independent Director of the Company as a Chairman of the Committee w.e.f. November 13, 2022. The Company Secretary & Compliance Officer acts as the Secretary of the SRC.

Composition, Meetings and Attendance for the Financial Year 2022-23 are as follows:

During the year under review, 1 (One) meeting of Committee was held on February 13, 2023.

Sr. No.	Name of the Member	Category	No. of Meetings during the year	No. of Meetings attended
1	Mrs. Bharti Dhar – Chairperson [(a)]	Independent Director	NA	NA
2	Mr. Santhosh Shet Chairman [(b)]	Independent Director	1	1
3	Mr. Manish Puri [(c)]	Independent Director	NA	NA
4	Mr. Vivek Talwar	Executive Director	1	1
5	Ms. Poonam Talwar [(d)]	Non-Executive Director	1	1

(a) Mrs. Bharti Dhar ceased to be Chairperson w.e.f. September 21, 2022
(b) Mr. Santhosh Shet was appointed as Chairman w.e.f. November 13, 2022
(c) Mr. Manish Puri ceased to be Member w.e.f. September 10, 2022
(d) Ms. Poonam Talwar was appointed as Member w.e.f. November 13, 2022

There were no complaints of Shareholders pending as on March 31, 2023. Details of complaints received and redressed during the Financial Year 2022-23 are as follows:

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

Compliance Officer

Ms. Geeta Karira, Company Secretary of the Company, is the Compliance Officer w.e.f. July 14, 2022 and can be contacted at:

Address: Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East) Mumbai- 400042.

E- Mail Id: investorgrievances@nitco.in

4. REMUNERATION OF DIRECTORS

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

The details of remuneration to Directors for the year ended March 31, 2023 are as under:

(Rs. in lacs)

Sr No.	Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
1	Mr. Vivek Talwar*	Managing Director	-	-	-	-	**-**
2	Ms. Poonam Talwar (w.e.f. 19.10.2022)	Non-Executive Director	-	-	-	1.05	**1.05**
3	Mr. Ajay Bakshi (w.e.f. 19.10.2022)	Non-Executive Independent Director	-	-	-	1.45	**1.45**
4	Mr. Santhosh Shet (w.e.f. 11.11.2022)	Non-Executive Independent Director	-	-	-	1.10	**1.10**
5	Mr. Harsh Kedia (w.e.f. 11.11.2022)	Non-Executive Independent Director	-	-	-	1.35	**1.35**
6	Ms. Priyanka Agarwal (w.e.f. 11.11.2022)	Non-Executive Independent Director	-	-	-	1.35	**1.35**

(Rs. in lacs)

Sr No.	Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
7	Mr. Manish Puri (upto 10.09.2022)	Non-Executive Independent Director	-	-	-	2.10	**2.10**
8	Mrs. Bharti Dhar (upto 21.09.2022)	Non-Executive Independent Director	-	-	-	2.65	**2.65**
9	Mr. Prakash Iyer (upto 18.08.2022)	Non-Executive Independent Director	-	-	-	2.15	**2.15**
10	Mr. Vivek Grover @ (upto 19.09.2022)	Nominee Director	-	-	-	1.50	**1.50**
11	Mr. Rakesh Kashimpuria @ (upto 19.09.2022)	Nominee Director	-	-	-	1.50	**1.50**

* Mr. Vivek Talwar the Managing Director was not paid any remuneration during the Financial Year 2022-23.

@ Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover and Mr. Rakesh Kashimpuria was paid to JM Financial Asset Reconstruction Company Limited (JMFARC) till their association with the Company.

Except Ms. Poonam Talwar, none of the Non-Executive Directors hold any shares or instrument convertible to shares during the Financial Year 2022-23.

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

The Company is hugely benefitted from the expertise, advice and inputs provided by the Non-Executive Directors (NEDs). The NEDs bring in a wider perspective in the deliberations and decision making of the Board which adds value to the Company.

The Company makes payment to Non-Executive Directors of the Company as per the Nomination and Remuneration Policy of the Company. The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement for expenses for participating in the Board / Committee Meetings/ General Body Meetings.

5. SUBSIDIARY COMPANIES

Subsidiary companies of the Company are managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders.

The Company adopted a Policy for determining material subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the Listing Regulations. This policy is available on the Company's website at https://www.nitco.in/corporate/investors/PDFFiles/Policy-for-determining-Material-Subsidiaries-after-amendment.pdf.

6. GENERAL BODY MEETING:

Location, date and time of Annual General Meeting held during the preceding 3 (Three) years and Special Resolutions passed thereat are as follows:

Financial Year	Date	Day	Time	Location/ Deemed Location	Whether passed any Special Resolution
2021-22	September 30, 2022	Friday	11:00 A.M. through Video Conferencing/ Other Audio Visual Means	Plot No. 3,NITCO House, Kanjur Village Road, Kanjurmarg (East), Mumbai 400 042	No
2020-21	September 24, 2021	Friday	11: 00 A.M. through Video Conferencing/ Other Audio Visual Means	Plot No. 3,NITCO House, Kanjur Village Road, Kanjurmarg (East), Mumbai 400 042	No
2019-20	September 25, 2020	Friday	11:00 A.M. through Video Conferencing/ Other Audio Visual Means	Plot No. 3,NITCO House, Kanjur Village Road, Kanjurmarg (East), Mumbai 400 042	No

Further, no special resolution is proposed to be conducted through postal ballot at the time of ensuing Annual General Meeting.

POSTAL BALLOT:

During the year under review, the Company had passed following resolution through Postal Ballot:

Approval for (i) Appointment of Ms. Poonam Talwar (DIN:00043300) as Non-Executive Director of the Company; (ii) Appointment of Mr. Ajay Bakshi (DIN:07038685) as Independent Director of the Company; (iii) Appointment of Mr. Harsh Kedia (DIN:09784141) as Independent Director of the Company; (iv) Appointment of Mr. Santhosh Kumar Shet (DIN:09784476) as Independent Director of the Company; (v) Appointment of Ms. Priyanka Agarwal (DIN:08089006) as Independent Director of the Company; and (vi) Re-appointment of Mr. Vivek Talwar (DIN:00043180) as a Managing Director.

The Company had sought the approval of the shareholders by way of Special and Ordinary Resolutions, as applicable through postal ballot notice dated December 15, 2022. Mr. Ankit Sethi (Membership No. 25415 and Certificate of Practice No. 11089), Proprietor of Ankit Sethi & Associates, Practicing Company Secretaries, Mumbai, was appointed to act as a scrutinizer to conduct the process of the abovementioned e-voting and postal ballot process in a fair and transparent manner.

Procedure for postal ballot: The postal ballot was carried out as pursuant to and in compliance with the provisions of Section 108, 110 and other applicable provisions, if any, the Act, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Management Rules"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), Regulation 44 of the Listing Regulations, including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force and other applicable laws, rules and regulations, if any and the Company had sent the Notice dated December 15, 2022 along with the Explanatory Statement in the permitted mode as per MCA Circulars. Voting rights were reckoned based on the equity shareholding as on the cut-off date i.e. Friday, December 09, 2022. The voting commenced on Tuesday, December 20, 2022 at 9:00 A.M. (IST) and ended on Wednesday, January 18, 2023 at 5:00 P.M. (IST) and the voting platform was disabled thereafter. The consolidated report on the results of the Postal Ballot through electronic voting process was published on January 19, 2023. As per the report of the Scrutinizer, the details of voting on the above Resolutions passed with requisite majority are as under:

(i) **Appointment of Ms. Poonam Talwar (DIN: 00043300) as Non-Executive Director of the Company:**

Particulars of votes cast	% of Voting
Votes in favour of Resolution	82.703
Votes against Resolution	0.012
Invalid	0.004
Abstain	17.281
TOTAL	**100**

(ii) Appointment of Mr. Ajay Bakshi (DIN: 07038685) as Independent Director of the Company:

Particulars of votes cast	% of Voting
Votes in favour of Resolution	99.988
Votes against Resolution	0.008
Invalid	0.004
Abstain	Nil
TOTAL	**100**

(iii) Appointment of Mr. Harsh Kedia (DIN: 09784141) as Independent Director of the Company:

Particulars of votes cast	% of Voting
Votes in favour of Resolution	99.988
Votes against Resolution	0.008
Invalid	0.004
Abstain	Nil
TOTAL	**100**

(iv) Appointment of Mr. Santhosh Kumar Shet (DIN: 09784476) as Independent Director of the Company:

Particulars of votes cast	% of Voting
Votes in favour of Resolution	99.984
Votes against Resolution	0.012
Invalid	0.004
Abstain	Nil
TOTAL	**100**

(v) Appointment of Ms. Priyanka Agarwal (DIN: 08089006) as Independent Director of the Company:

Particulars of votes cast	% of Voting
Votes in favour of Resolution	99.985
Votes against Resolution	0.011
Invalid	0.004
Abstain	Nil
TOTAL	**100**

(vi) Re-appointment of Mr. Vivek Talwar (DIN: 00043180) as a Managing Director:

Particulars of votes cast	% of Voting
Votes in favour of Resolution	82.435
Votes against Resolution	0.011
Invalid	0.004
Abstain	17.550
TOTAL	**100**

7. MEANS OF COMMUNICATION

I. Financial Result: The quarterly, half-yearly and Annual results of the Company are regularly submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website and are published in newspapers within 48 hours in one English language and in one Marathi newspapers with wide circulation i.e. Financial Express (English) and Mumbai Laksdweep (Marathi).

Additionally the results, press releases, shareholding pattern of the Company and other important information are displayed periodically on the Company's website at www.nitco.in. Presentations, if any, made to institutional investors and analysts after the declaration of quarterly, half-yearly and annual results are also displayed on the Company's website.

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

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

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

III. **Stock Exchanges:** The Company also informs, by way of intimation/announcement, 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.

IV. **Management Discussion and Analysis:** A report on Management Discussion and Analysis is appended and forms part of the Annual Report.

V. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for Corporates. All periodical compliances which include filing of Shareholding Pattern, Corporate Governance Report, Announcements, etc. are filed electronically on NEAPS

VI. **BSE Listing Centre:** The BSE Listing Centre is a web based application designed by BSE for Corporates. All periodical compliances which include filing of Shareholding Pattern, Corporate Governance Report, Announcements, etc. are filed electronically on BSE Listing Centre.

VII. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

8. GENERAL SHAREHOLDER'S INFORMATION

a. Annual General Meeting (AGM):

Day, Date and time	Monday, September 25, 2023, 11:30 A.M. (IST).
Venue	The Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing/ other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA and SEBI Circulars, the 57^{th} AGM of the Company is being held through VC / OAVM.

b. **Financial year:** The Company follows April-March as its financial year.

c. **Dividend Payment Date:** Not Applicable.

d. **Listing on stock exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company has paid listing fees to the stock exchanges for the Financial Year 2023-24.

e. **Stock code/symbol/ ISIN/ CIN:**

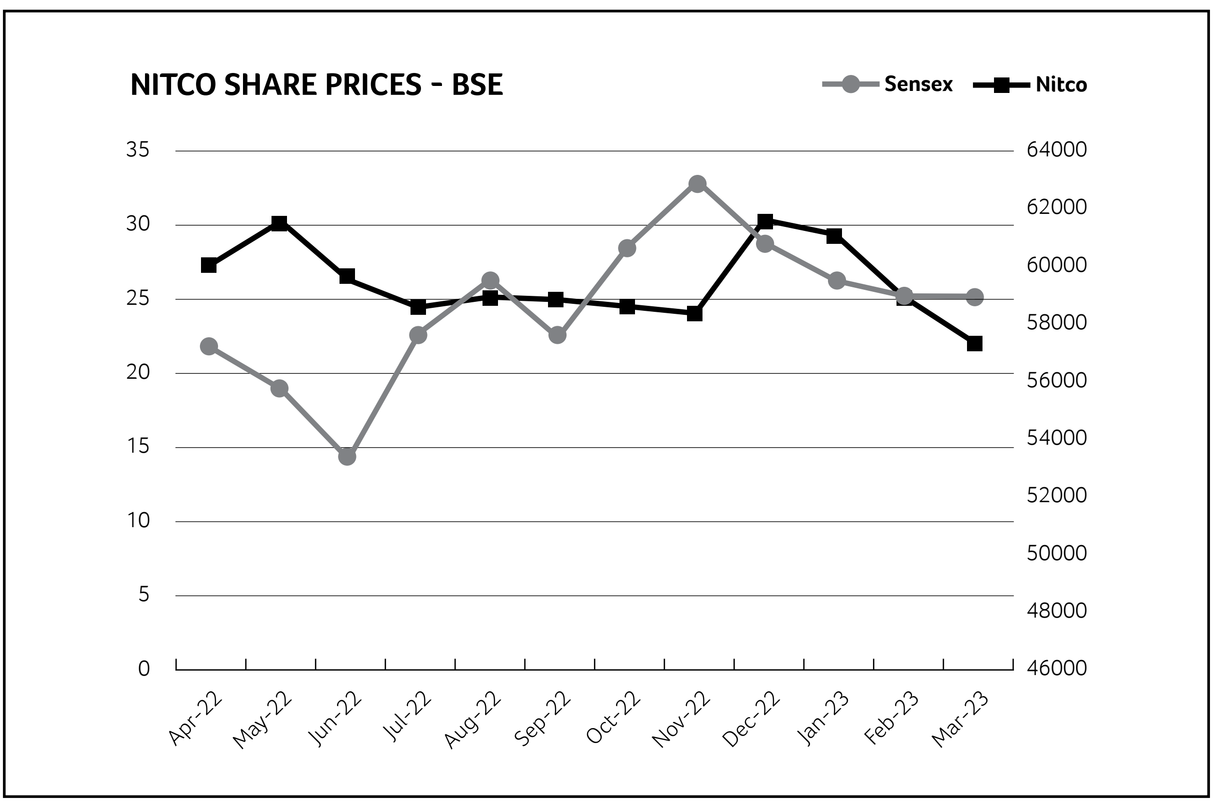
Name of Stock Exchange	Stock Code/ Symbol	Address
BSE Limited	532722	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange Limited	NITCO	Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051.
ISIN	INE858F01012	
Corporate Identification Number	L26920MH1966PLC016547	

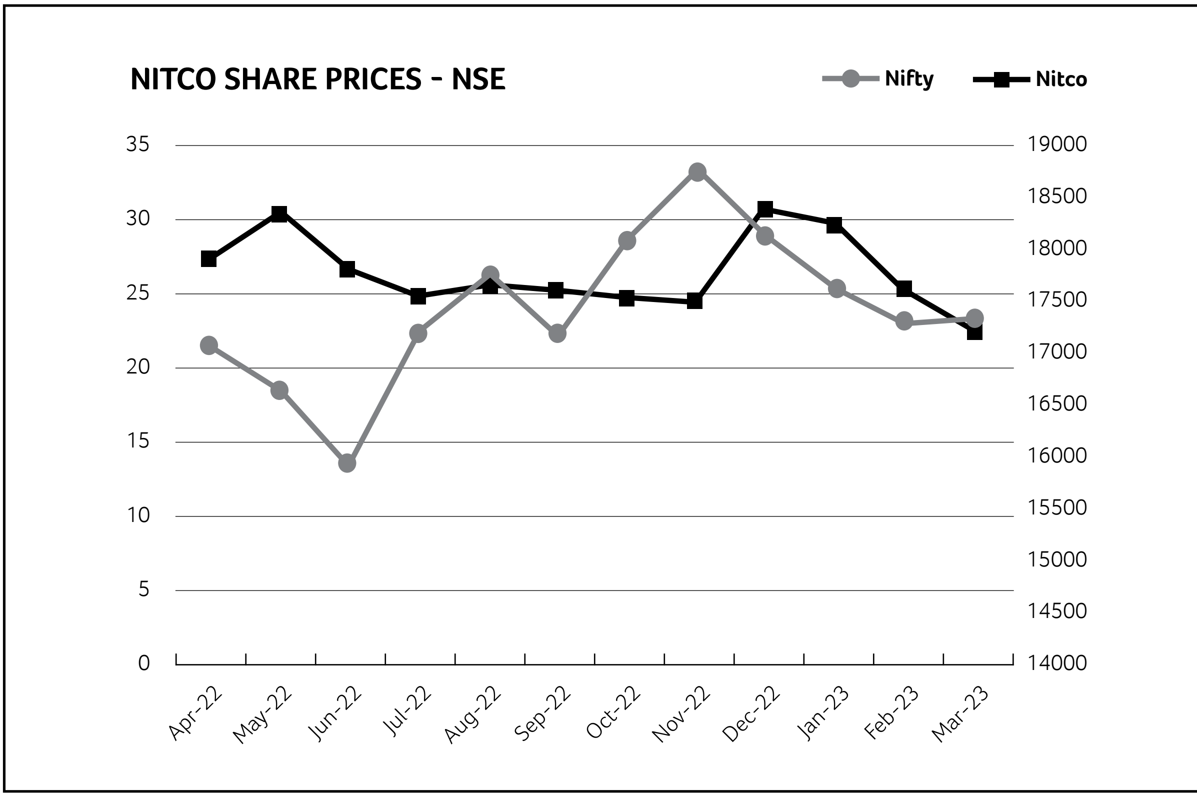
f. Market Price Data at BSE and NSE:

Details of high and low during the each month of the year under review on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") are as under:

Month	Stock Exchange					
	BSE			NSE		
	High (Rs.)	Low (Rs.)	Sensex (Close)	High (Rs.)	Low (Rs.)	Nifty 50 (Close)
Apr-22	28.05	22.5	57060.87	27.9	22.85	17102.55
May-22	30.95	20.2	55566.41	31	20.2	16584.55
Jun-22	26.9	22.1	53018.94	27.15	22.4	15780.25
Jul-22	24.95	22.5	57570.25	24.9	22.6	17158.25
Aug-22	25.8	23.05	59537.07	25.9	22.8	17759.3
Sep-22	25.45	21.9	57426.92	25.45	21.8	17094.35
Oct-22	25	21.6	60746.59	24.9	22.2	18012.2
Nov-22	24.55	21.95	63099.65	24.55	21.45	18758.35
Dec-22	31	22.85	60840.74	31.05	22.8	18105.3
Jan-23	30	23.7	59549.9	30	23.8	17662.15
Feb-23	25.65	22	58962.12	25.8	22	17303.95
Mar-23	22.5	16.4	58991.52	22.5	16.7	17359.75

g. Performance of share price of the Company (NITCO) in comparison with the BSE-Sensex and NSE Nifty:





h. The Equity Shares of the Company have not been suspended from trading by the SEBI and/ or Stock Exchanges in Financial Year 2022-2023.

i. 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

j. Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer and elimination of any possibility of loss of documents and bad deliveries.

Pursuant to the SEBI's Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023:

- it shall be mandatory for all holders of physical shares to furnish PAN, Nomination, Contact details, Bank account details and Specimen signature for their corresponding folio numbers;
- the folios wherein any one of the above said document/details are not available on or after October 1, 2023, will be frozen by the RTA;

- the shareholder(s) whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents/details as mentioned above. Further, for any payment of dividend, in respect of said frozen folios, will be made only through electronic mode with effectfrom April 1, 2024, subject to the compliance of the above said requirements; and
- frozen folios will be referred by the RTA / the Company to the administering authority under the Benami Transactions(Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

Hence, the shareholders holding share in physical mode are requested to kindly provide the above said details to the Company/ RTA.

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

k. Shareholding pattern as on March 31, 2023:

Category		No. of shares held	Percentage of total Shareholding
A	**Promoter's holding**		
	Promoters & Promoters' holding	38097176	53.02
	Sub-total	**38097176**	**53.02**
B	**Public shareholding**		
	Institutions	1,71,59,617	23.88
	Central / State Government	2,000	0.00
	Non- Institutions	1,66,00,162	23.10
	Sub-total	**3,37,61,779**	**46.98**
C	**Grand Total (A+B)**	**7,18,58,955**	**100.00**

l. Distribution of shareholding as on March 31, 2023:

No. of equity shares	No. of shareholders	Percentage of Share holders	Number of shares	Percentage of Share holding
1-500	18,694	84.05	21,88,179	3.0451
501-1000	1,717	7.72	14,32,137	1.9930
1001-2000	832	3.74	12,89,893	1.7950
2001-3000	347	1.56	8,89,655	1.2381
3001-4000	153	0.69	5,52,645	0.7691
4001-5000	122	0.55	5,78,995	0.8057
5001-10000	180	0.81	13,45,012	1.8717
10001 and above	196	0.88	6,35,82,439	88.4823
Total	**22,241**	**100.00**	**7,18,58,955**	**100.00**

m. Dematerialisation of Shares and Liquidity:

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

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

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

o. Plant Locations

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

p. Correspondence Addresses

Shareholders' correspondence may be addressed to the Registrar & Transfer Agent. Investors can also mail their queries to the Company at investorgrievances@nitco.in for redressal. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

q. Credit Ratings

There was no requirement of obtaining any Credit Ratings during the year under review.

8. OTHER DISCLOSURES

(i) Related Party Transactions

In terms of the Indian Accounting Standard - 24 "Related Party Disclosures", as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 34 to the Standalone Financial Statements forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Pursuant to the omnibus approval granted by the Audit Committee, the RPT's entered into by the Company is reviewed by them at least on a quarterly basis.

The details of the transactions with the related parties are placed before the Audit Committee on a quarterly basis in compliance with the provisions of Section 177 of the Act and Rules framed thereunder and Regulation 23 of the Listing Regulations. During the year under review, the Company has filed disclosure of Related Party Transactions on a consolidated basis under Regulation 23(9) of the Listing Regulations.

Pursuant to the Regulation 23 of the Listing Regulations, the Company has adopted a Policy on materiality of the Related Party Transactions and on dealing with Related Party Transactions the Policy is available on the Company's website: https://www.nitco.in/corporate/investors/PDFFiles/Nitco-RPT-Policy-New-FEB-2020.pdf.

(ii) Compliances by the Company

The Company has complied with the requirements of the Companies Act, 2013, Secretarial Standards and rules framed thereunder, Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years.

(iii) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and established the necessary Vigil Mechanism, which is in line with the Regulation 22 of the Listing Regulations and Section 177 of the Act. Pursuant to the Policy, the Whistle Blower can raise concerns about illegal or unethical practices (as defined in the Policy).

The Whistle Blower Policy provides a mechanism for stakeholders including Employees and Directors to approach the Chairperson of the Audit Committee of the Company. The Audit Committee oversees the functioning of the same. The Whistle Blower Policy is hosted on the Company's website: https://www.nitco.in/corporate/investors/PDFFiles/Nitco-Whistle-Blower-Policy-June-2020.pdf.

During the year under review, the Company has not received any complaint through Vigil Mechanism. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

(iv) Code of Conduct for Directors and Senior Management

In terms of Regulation 17(5) of the Listing Regulations, the Company has laid down and adopted a Code of Conduct for its Directors and Senior Management Personnel, which is also hosted on the Company's website: https://www.nitco.in/corporate/investors/code-of-conduct.

The Company has received confirmation from all Directors as well as Senior Management Personnel regarding compliance with the Code of Conduct during the year under review as required under Regulation 26(3) of the Listing Regulations. Pursuant to Schedule V(D) of the Listing Regulations, a declaration signed by the Chairman & Managing Director of the Company to this effect is annexed at the end of this Report.

(v) CEO / CFO certification

Pursuant to provisions of Regulation 17(8) of the Listing Regulations, the Managing Director of the Company have certified to the Board regarding the review on the Financial Statements, Cash Flow Statements and other related matters related for the year ended March 31, 2023. The Certificate forms part of the Annual Report.

(vi) Accounting treatment

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of the Act and other relevant provision of the Act and has uniformly applied the Accounting Polices during the year under review.

(vii) Remuneration to Statutory Auditors

M/s. M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration No. 107122W/W100672) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

During the year 2022-23, the Company has paid to:

(i) M/s. Nayak & Rane, Chartered Accountant fees of Rs. 23,94,249/-

(ii) M/s. M M Nissim & Co LLP, Chartered Accountants, fees of Rs. 2,16, 300/-.

None of the subsidiary companies have availed any services from the statutory auditors of the Company during the Financial Year 2022-23.

(viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review the Company did not raise any funds through preferential allotment or qualified institutions placement.

(ix) Commodity price risk, foreign exchange risk and hedging activities

The Company does not deal in commodities and has no foreign exchange or hedging exposures hence disclosures relating to risk management policy with respect to commodities, commodity price risks, foreign exchange risk and hedging thereof in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 is not applicable.

(x) Certificate from Company Secretary in Practice

M/s. Mihen Halani & Associates, Practising Company Secretaries (Membership No. 9926 & CP No. 12015) have certified that as on the date of the report, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate forms part of the Annual Report.

(xi) Recommendation of Committees

All recommendations/submissions made by various Committees of the Board during the Financial Year 2022-23 were accepted by the Board of Directors of the Company.

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

The Company has a policy on prevention of Sexual Harassment at Workplace as per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) consisting of four members (including 1 external member) has been formed to address complaints regarding sexual harassment of women at workplace. Disclosure for the year under review:

Sr. No.	Particulars	Number
1.	Number of complaints filed during the financial year	NIL
2.	Number of complaints disposed of during the financial year	NIL
3.	Number of complaints pending as on end of the financial year	NIL

(xiii) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which director are interested by name and amount'

During the financial year under review, the Company and its subsidiaries have not extended any loans and advances in the nature of loans to any firms / companies in which directors are interested.

(xiv) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

As per the Regulation 16(1)(c) of the Listing Regulations, during the year under review no Subsidiary Company falls under the category of material subsidiaries of the Company.

(xv) Transfer of Unclaimed / Unpaid Dividend

The Company has transferred all the unclaimed / unpaid dividends to the Investor Education and Protection Fund (IEPF), established by the Central Government, in terms of the provisions of Section 125 of the Act in the previous years. There is no amount lying in the unpaid dividend account of the Company. Further, as per the provision of the Act and rules framed thereunder, the Company has transferred shares in respect of which the dividend remained unclaimed for a period of seven consecutive years to IEPF Account.

(xvi) 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 have 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.

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	11 shareholder entitled for 785 Shares
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account during the year	11 shareholder entitled for 785 Shares
Voting Rights on these shares	The voting rights shall remain frozen till the rightful owner of such shares claims the shares.

(xvii) 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.

(xviii) 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.

(xix) 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.

(xx) Status of adoption/compliance of Non mandatory/ discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

The Board

The Chairman of the Company is an Executive Director (Managing Director).

Shareholder Rights

Details are given under heading 'Means of Communication'.

Modified opinion(s) in audit report

The Statutory Auditor has given modified opinion in their Audit Report for the Financial Year ended March 31, 2023.

Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Mr. Vivek Talwar is acting as a Chairman & Managing Director (Executive Director) of the Company.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

(xxi) Compliance Disclosure

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

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Date: May 30, 2023
Place: Mumbai

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

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, 2023.

For NITCO LIMITED

VIVEK TALWAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 00043180

Place: Mumbai
Date: May 30, 2023

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To
The Members of NITCO Limited
CIN: L26920MH1966PLC016547

We have examined the compliance of conditions of Corporate Governance by NITCO Limited ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except as mentioned below;

- *BSE and NSE have imposed/levied penalty of Rs. 10,000/- each on the Company for conducting Board Meeting, held on October 19, 2022, without the presence of requisite quorum as required under Regulation 17(2A) of SEBI (LODR) Regulations, 2015. As informed to us, the Company has filed relevant replies to the Stock exchanges for waiver of penalties along with the supporting documents. The Company is yet to receive response from the stock exchange(s) for the same;*

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

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Mihen Halani
(Proprietor)
CP No. 12015
FCS No: 9926

Date: May 30, 2023
Place: Mumbai
UDIN: F009926E000418444

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
NITCO LIMITED
CIN: L26920MH1966PLC016547
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East) Mumbai-400042, MH, IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nitco Limited bearing CIN - L26920MH1966PLC016547 and having registered office at Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East) Mumbai-400042, MH, IN **(hereinafter referred to as "the Company")**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at ("www.mca.gov.in") as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment In Company
1	Mr. Vivek Prannath Talwar	00043180	Executive Director	12/02/2014
2	Ms. Poonam Talwar	00043300	Non-Executive - Non Independent Director	19/10/2022
3	Mr. Ajaybir Singh Jasbir Singh Bakshi	07038685	Non-Executive - Independent Director	19/10/2022
4	Ms. Priyanka Agarwal	08089006	Non-Executive - Independent Director	11/11/2022
5	Mr. Harsh Kedia	09784141	Non-Executive - Independent Director	11/11/2022
6	Mr. Santhosh Kumar Shet	09784476	Non-Executive - Independent Director	11/11/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretaries

Mihen Halani
(Proprietor)
CP No. 12015
FCS No: 9926

Date: May 30, 2023
Place: Mumbai
UDIN: F009926E000418422

MANAGING DIRECTOR 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. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of my knowledge and belief, I 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 my 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. I 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 I am aware and the steps taken or proposed to be taken to rectify these deficiencies.

d. I 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 I 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.

FOR NITCO LIMITED

Vivek Talwar
Managing Director
DIN: 00043180

Place: Mumbai
Date: May 30, 2023

INDEPENDENT AUDITORS REPORT

To the members of Nitco Ltd

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **NITCO Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2023, and its losses (financial performance including Other Comprehensive Income), the Changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Qualified Opinion

Material Uncertainty Related to Going Concern

The Company continues to incur losses resulting in an erosion of its net worth and its current liabilities exceeds current assets as of 31st March 2023.

We draw your attention to Note 38 (b)(iv) to the financial statements as regards to revocation of the restructuring of existing facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). – (Financial Creditor), vide letter dated 19th September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 31st March 2023 is Rs. 66,082.26 Lakhs).

On 15th November 2022, the Financial Creditor has made an Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process. We are informed that the Company is seeking appropriate legal advice and will take all appropriate steps to protect its interest in the aforesaid matter. Accordingly, no adjustments have been made to the carrying values of the liabilities and their presentation and classifications in the financial statements and are accounted on going concern basis.

Based on our audit conducted, we have concluded that a material uncertainty exists relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and to that extent, the audit report is qualified.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Financial Statements.

3. Emphasis of Matter

i. We draw attention to Note no. 38 (b)(v) to the Standalone Financial Statement which states that the company has not provided for interest on the outstanding loan of LIC of Rs. 1,887.26 lakhs (Principal outstanding), as they are hopeful of its restructuring same in line of JMFARC.

ii. We draw attention to Note no. 38 (b)(ii) to the Standalone Financial Statement which states that Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000.00 lakhs which is confirmed by the Appellate bench of DGFT, New Delhi. No provision for the demand is made in the books. Management has received legal opinion that the order is bad in law.

iii. We draw attention to Note no. 38 (b)(iii) to the Standalone Financial Statement which states that Revenue Department has raised a demand of Rs 5,105.88 lakhs. No provision for the demand is made in the books as company has received interim relief against the order from Bombay High Court.

iv. We draw attention to Note no. 7 to the Standalone Financial Statement which states that Management has not made provision for impairment of Rs. 995.99 lakhs with respect to capital advance given to Saumya Buildcon Pvt Ltd.

v. We draw attention to Note no. 5 and Note 12 to the Standalone Financial Statement which states that Management has not done provision for impairment of Rs. 6,579.69 lakhs with respect to money advanced to Nitco Realties Private Limited by way of investments and loans.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our Response
1) Assessment of impairment in valuation of investments and loan given to subsidiaries and Property, Plant and Equipment at Alibaug and Silvasa	**Our audit procedures included, among others the following:**
• The carrying values of the company's Investments in subsidiaries and Property, Plant and Equipment are assessed annually by management for potential indicators of impairment. • For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable. • We have identified the assessment of potential impairment of investments and loans given to subsidiaries and Property, Plant and Equipment at Alibaug and Silvasa location as a key audit matter. • Impairment assessment involves significant degree of management judgement in determining the key assumptions and expected future cash flows. • Valuation of underlying assets especially land with subsidiaries were done from Independent Valuer.	• We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment; • We have studied available financial information including considerations of the economic conditions of the plant at Alibaug and audited financial statements of the subsidiaries; • We have evaluated the current approximate market price of the land, real estate properties at Alibaug and Silvasa and also where the subsidiaries have invested for computing the recoverable amount; • We have checked the Valuation report of underlying assets done by Independent Valuer; • We evaluated the independence, competence of the independent valuer; • We read and assessed the relevant disclosures made within the standalone Ind AS financial statements.
2) Litigation, Claims and Contingent Liabilities	
• Company is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims. • Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter. • These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. • Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.	• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. • With respect to tax matters (direct and indirect), discussed with the Company's tax officers and obtained their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. • Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. • For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures.

5. Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, Changes in Equity and Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibility for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

The standalone financial statements for the year ended 31st March 2022 have been audited by erstwhile auditor who have expressed an unmodified opinion on those statements based on their audit for the year ended 31st March 2022.

9. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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.

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

a) We have sought and obtained all the information and explanations, except for the physical verification of inventory at Alibaug factory, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 38 (b) to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were no material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or lend or invested during the year (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) As represented to us by the management and to the best of its knowledge and belief, no funds have been received by the Company during the year from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year as per Section 123 of the Companies Act, 2013 and hence clause (f) of Rule 11 of the Companies (Audit & Auditors) Rules, 2014 is not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Membership No.036490
UDIN: 23036490BGXRZB1197

Place: Mumbai
Date: 30th May, 2023

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NITCO LIMITED.

i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, the Property, Plant and Equipment, have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable, and no material discrepancies have been noticed on such physical verification.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date, except for the following:

Description of Property & Period Held For	Gross Carrying Value (Rs. In Lakhs)	Held in the Name of	Whether promoter, director or their relative Or employee	Reason for not being held in name of Company * indicate if in dispute
Leasehold Land at Thane Period Held: 31st Dec 2005 onwards	278.38	Mahalakshmi Tiles and Marble Company Pvt. Ltd.	Company controlled by relatives of Promoter	Mahalakshmi Tiles and Marble Company Pvt Ltd is merged with Nitco Tiles Ltd. Refer HC petition no 797 of 2001
Land at Alibaug Period Held: 1995 onwards	15.85	Various Parties (Refer note 45 of Standalone Financial Statement)	No	Registration of agreement is under process
Land at Kanjurmarg (Held as Inventory- Real estate) Period Held: 2011 onwards	15,000	Particle Boards India Limited	No	Particle Boards India Limited is merged with Nitco Ltd [Refer note no. 38 (b) (iii)]

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventory, has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account. However due to closure of Alibaug Factory, the management could not conduct physical verification of inventory during the year and hence we are unable to comment on the reporting requirement.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions in excess of Rs 5 crores and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investment or provided any loans or advances in the nature of loans or stood guarantee, or provided security to companies, firms, limited liability partnership or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) and clause iii(b) of the Order is not applicable.

(b) in respect of loans and advances in the nature of loans given by the company in previous years the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. The outstanding balances of such loans and advances granted is reported as below:

(Rs. in Lakhs)

Sr. No	Party Name	Amount Outstanding as on 31.03.2023
1	Nitco Relaties Pvt Ltd (NRPL)	5,885.10
2	Saumya Buildcon Pvt Ltd	995.99
3	Meghdoot Properties Pvt Ltd	0.57
4	Maxwealth Properties Pvt Ltd	0.57
5	Feel Better Housing Pvt Ltd	0.57
6	Silver Sky Real Estates Pvt Ltd	0.55

(c) As there is no stipulation of repayment of principle and interest, we are not in the position to comment on the status of overdue loan.

(d) No fresh loans or advances in the nature of loans given during the year which is used for repaying existing loans given to the same parties.

(e) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year, however as mentioned in clause iii(b) the company has granted in earlier years loans or advances in the nature of loans which are without specifying any terms or period of repayment details of which are given below:

(Rs. in Lakhs)

Particulars	All Parties (A+B+C)	Promoter (A)	Related Parties (B)	Other Parties (C)
The aggregate amount of loan/ advance in nature of loan :				
Repayable on demand (A)	-	-	-	-
Agreement does not specify any terms or period of repayment (B)	-	-	-	-
No agreement (C)	5,887.35	-	5,887.35	-
Total (A+B+C)	**5,887.35**	**-**	**5,887.35**	**-**
Percentage of loans/advances in nature of loans to the total loans/advances	100.00%	-	100.00%	-

(iv) In our opinion, in respect of loans granted and investments made, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the provisions of clause 3(v) of Para 3 of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2023 on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where dispute is pending	Rs in Lakhs
Value Added Tax Act, 2005			
VAT and Penalty	2004-05, 2013-14, 2014-15	Deputy commissioner of sales tax	46.89
	2008-09, 2009-10	Assistant Commissioner	5.05
	2009-10	KVAT Tribunal	6.74
	2013-14, 2014-15	Tribunal	1,430.57
	2014-15	JCCT – Appeal	0.58
	2015-16	Addl. Commissioner Grade 2	5.62
	Various Years	Jt. Comm of Sales Tax Appeal	1,563.65
Central Sales Tax Act, 1956			
Pending C Form issues	2013-14	Addl. Com.-Grade-2	2.61
	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Deputy commissioner of sales tax	344.27
	2016-17	Joint Commissioner	17.70
Customs Act, 1962			
Redemption Fine	Various Years	CESTAT	300
Service Tax			
Penalty	Various Years	CESTAT, Mumbai	1,955.62
	Various Years	CESTAT, Ahmedabad	132.14

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a)The Company has defaulted in repayment of loans and in the payment of interest thereon to a financial institution as shown below:

(Rs. in Lakhs)

Nature of Borrowing including debt securities	Name of Lender	Amount not on a due date	Due Date	No. days delay or Unpaid
Principal amount with respect to				
Term Loan Rs. 20,000 lakhs	JMFARC	1,000	30 Jun 20	1004
		1,000	30 Sept 20	912
		1,000	31 Dec 20	820
		1,000	31 Mar 21	730
		1,328	31 Mar 21	730
		1,000	30 Jun 21	639
		1,000	30 Sept 21	547
		1,000	31 Dec 21	455
		1,000	31 Mar 22	365
		2,466	31 Mar 22	365
		2,400	30 Jun 22	274
		2,400	30 Sept 22	182
		2,400	31 Dec 22	90
		2,400	31 Mar 23	1
Interest amount with respect to				
Term Loan Rs. 20,000 lakhs	JMFARC	480	30 Jun 20	1004
		515	30 Sept 20	912
		453	31 Dec 20	820

(Rs. in Lakhs)

Nature of Borrowing including debt securities	Name of Lender	Amount not on a due date	Due Date	No. days delay or Unpaid
		573	31 Mar 21	730
		614	30 Jun 21	639
		657	30 Sept 21	547
		695	31 Dec 21	455
		717	31 Mar 22	365
		650	30 Jun 22	274
		714	30 Sept 22	182
		772	31 Dec 22	90
		813	31 Mar 23	1
Principle amount with respect to				
Term Loan Rs. 30,000 Lakhs	JMFARC	6,954	31 Mar 20	1095
		1,500	31 Mar 21	730
		3,000	31 Mar 22	365
		16,105	31 Mar 23	1
Interest amount with respect to				
Term Loan Rs. 30,000 Lakhs	JMFARC	2,544	31 Mar 21	730
		2,983	31 Mar 22	365
		3,949	31 Mar 23	1
Principle amount with respect to				
LIC Loan	LIC	83	30 Jun 14	3196
		83	30 Sept 14	3104
		83	31 Dec 14	3012
		83	31 Mar 15	2922
		42	30 Jun 15	2831
		42	30 Sept 15	2739
		42	31 Dec 15	2647
		42	31 Mar 16	2556
		42	30 Jun 16	2465
		42	30 Sept 16	2373
		42	31 Dec 16	2281
		42	31 Mar 17	2191
		63	30 Jun 17	2100
		63	30 Sept 17	2008
		63	31 Dec 17	1916
		63	31 Mar 18	1826
		42	30 Jun 18	1735
		42	30 Sept 18	1643
		42	31 Dec 18	1551
		42	31 Mar 19	1461
		42	30 Jun 19	1370
		42	30 Sept 19	1278
		42	31 Dec 19	1186
		42	31 Mar 20	1095
		42	30 Jun 20	1004
		42	30 Sept 20	912
		42	31 Dec 20	820
		42	31 Mar 21	730
		63	30 Jun 21	639
		63	30 Sept 21	547
		63	31 Dec 21	455

(Rs. in Lakhs)

Nature of Borrowing including debt securities	Name of Lender	Amount not on a due date	Due Date	No. days delay or Unpaid
		63	31 Mar 22	365
		02	31 Dec 14	3012
		21	31 Mar 15	2922
		07	30 Jun 15	2831
		07	30 Sept 15	2739
		07	31 Dec 15	2647
		07	31 Mar 16	2556
		07	30 Jun 16	2465
		07	30 Sept 16	2373
		07	31 Dec 16	2281
		07	31 Mar 17	2191
		11	30 Jun 17	2100
		11	30 Sept 17	2008
		11	31 Dec 17	1916
		11	31 Mar 18	1826
		11	30 Jun 18	1735
		11	30 Sept 18	1643
		11	31 Dec 18	1551
		11	31 Mar 19	1461
		14	30 Jun 19	1370
		14	30 Sept 19	1278
		14	31 Dec 19	1186
		14	31 Mar 20	1095

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds during the year on short term basis. Therefore reporting under clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, during the year the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any new loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company

(xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii)of Para 3 of the order are not applicable to the Company.

(xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Standalone Financial Statements in Note 34(b) as required by the applicable Indian Accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) of Para 3 of the Order are not applicable to the Company.

(b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi) of Para 3 of the Order is not applicable to the Company.

(d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses during the financial year amounting to Rs 11,399.39 lakhs covered by our audit and Rs 8,438.91 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists as on the date of the audit report that Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. (Refer 'Material uncertainty related to going concern' provided in the standalone audit report).

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Membership No.036490
UDIN: 23036490BGXRZB1197

Place: Mumbai
Date: 30th May, 2023

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NITCO LIMITED.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

1. Opinion

We have audited the internal financial controls with reference to Financial Statements of **NITCO LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such controls were operating effectively as at March 31, 2023, 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 Institute of Chartered Accountants of India(ICAI).

2. Management's Responsibility for Internal Financial Controls

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 Company's internal financial controls system with reference to Financial Statements.

4. Meaning of Internal Financial Controls With reference to Financial Statements

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

5. Inherent Limitations of Internal Financial Controls With reference to Financial Statements

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

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Membership No.036490
UDIN: 23036490BGXRZB1197

Place: Mumbai
Date: 30th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	33,472.14	36,249.14
Capital work-in-progress	3.1	244.67	260.67
Right-of-use Asset	3A	195.63	70.99
Intangible assets	4	34.41	-
Financial Assets			
Investments	5	694.59	694.59
Other Financial Assets	6	3,487.60	3,419.62
Other non-current assets	7	1,522.37	1,532.21
		39,651.41	**42,227.22**
Current assets			
Inventories	8	6,772.64	6,360.88
Inventories – Real Estate	9	15,000.00	15,000.00
Financial assets			
Trade receivables	10	7,391.54	9,655.00
Cash and cash equivalents	11	1,055.36	1,167.08
Loans	12	5,892.67	5,895.02
Other financial assets	13	47.57	36.84
Other current assets	14	2,983.78	3,775.44
		39,143.56	**41,890.26**
Total Assets		**78,794.97**	**84,117.48**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	7,185.90	7,185.90
Other equity	16	(41,756.85)	(26,661.29)
		(34,570.95)	**(19,475.39)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17	20,000.00	20,002.63
Lease Liabilities	18	106.40	33.93
Provisions	19	160.06	214.60
		20,266.46	**20,251.16**
Current liabilities			
Financial liabilities			
Borrowings	17.1	67,972.16	61,089.93
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises; and		740.93	640.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,116.85	13,588.22
Lease Liabilities	18	102.58	51.63
Other financial liabilities	21	2,331.35	1,867.34
Other current liabilities	22	6,609.90	5,766.87
Provisions	23	225.69	337.46
		93,099.46	**83,341.71**
Total Equity and Liabilities		**78,794.97**	**84,117.48**

Accompanying Notes are an integral part of these Financial Statements

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue From Operations	**24**	38,166.92	40,867.25
Other Income	**25**	450.41	744.64
Total Income		**38,617.33**	**41,611.89**
EXPENSES			
Cost of materials consumed	**26**	4,054.81	2,791.08
Purchase of stock-in-trade		26,062.01	28,909.69
Changes in inventories of finished goods, stock in trade and work-in-progress	**27**	529.10	975.75
Employee benefits expense	**28**	5,372.68	5,334.56
Finance costs	**29**	7,335.29	6,432.61
Depreciation and amortisation expense	**30**	2,925.98	3,000.38
Other expenses	**31**	5,877.98	6,754.47
Total Expenses		**52,157.85**	**54,198.54**
Profit /(Loss) before tax before exceptional items		**(13,540.52)**	**(12,586.65)**
Exceptional items - gain/(loss)	**32**	(1,585.34)	-
Profit /(Loss) before tax after exceptional items		**(15,125.86)**	**(12,586.65)**
Tax expense:			
Current Tax		-	-
Deferred Tax		-	
Profit /(Loss) for the year		**(15,125.86)**	**(12,586.65)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		30.30	38.29
Income tax effect on such items		-	-
Total other comprehensive income for the year, net of tax		**30.30**	**38.29**
Total comprehensive income/(Loss) for the year, net of tax		**(15,095.56)**	**(12,548.36)**
Earnings per equity share: (In Rs.)			
(1) Basic	**33**	(21.05)	(17.52)
(2) Diluted		(21.05)	(17.52)

Accompanying Notes are an integral part of these Financial Statements

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

N. Kashinath
Partner
Membership No.: 036490

Place : Mumbai
Dated : 30th May, 2023

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

Geeta Karira
Company Secretary

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

(Rs. in Lakhs)

Particulars	Amount
As at 1 April 2021	7,185.90
Changes during the year	-
As at 31 March 2022	**7,185.90**
Changes during the year	-
As at 31 March 2023	**7,185.90**

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Re-measurements of defined benefit obligations	Total other equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)		
As at 1 April 2022	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(75,997.54)**	**57.33**	**(26,661.29)**
Net income / (loss) for the year	-	-	-	-	(15,125.86)		**(15,125.86)**
Other comprehensive income	-	-	-	-		30.30	**30.30**
As at 31 March 2023	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(91,123.40)**	**87.63**	**(41,756.85)**
As at 1 April 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,410.89)**	**19.04**	**(14,112.93)**
Net income / (loss) for the year	-	-	-	-	(12,586.65)	-	**(12,586.65)**
Other comprehensive income	-	-	-	-	-	38.29	**38.29**
As at 31 March 2022	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(75,997.54)**	**57.33**	**(26,661.29)**

Accompanying Notes are an integral part of these Financial Statements

In terms of our report of even date annexed

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For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

		Year ended 31 March 2023		Year ended 31 March 2022	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Loss before tax & after exceptional items		(15,125.86)		(12,586.65)
	Adjusted for :				
	Depreciation & amortisation expense	2,925.98		3,000.38	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(0.57)		(451.58)	
	Finance costs	7,335.29		6,432.61	
	Provisions against current assets (Refer note 2 below)	800.49	11,061.19	1,147.36	10,128.77
	Operating Profit before Working Capital Changes		(4,064.67)		(2,457.88)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	(467.10)		1,134.88	
	(Increase)/decrease in trade receivables	1,567.53		(407.58)	
	(Increase)/decrease in other receivables	512.34		235.28	
	Increase/(decrease) in trade and other payables	2,762.00	4,374.77	1,950.28	2,912.86
	Cash Generated from Operations		310.10		454.98
	Taxes paid (net of refunds)		(33.96)		-
	Net Cash from operating activities		**276.14**		**454.98**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(44.63)		393.08	
	Net Cash used in Investing Activities		**(44.63)**		**393.08**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	-		(53.67)	
	Finance costs (net)	(343.23)		(814.93)	
	Net Cash flow from in Financing Activities		**(343.23)**		**(868.60)**
	Net increase in Cash and Cash Equivalents (A+B+C)		**(111.72)**		**(20.54)**
	Cash and Cash Equivalents at the beginning of the year		1,167.08		1,187.62
	Cash and Cash Equivalents at the end of the year		**1,055.36**		**1,167.08**
	Components of cash and cash equivalents at the end of the year				
	Cash on hand		2.48		4.93
	Balance in current account and deposits with banks		1,052.88		1,162.15
	Cash and Cash Equivalents at the end of the year		**1,055.36**		**1,167.08**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2022	Cash Flows	Interest Accrued	As at March 31, 2023
Redeemable Non-Convertible Preference Shares	15,000.00			**15,000.00**
Redeemable Non-convertible Debentures	5,000.00			**5,000.00**
Borrowings	61,075.01	-	6,894.52	**67,969.53**
Vehicle Loan	17.54	(14.91)		**2.63**
Total liabilities from financing activities	**81,092.56**	**(14.91)**	**6,894.52**	**87,972.16**

Accompanying Notes are an integral part of these Financial Statements

Note to Cash Flow Statement

1. Cash Flow Statement has been prepared under the Indirect Method.
2. Provisions against current assets includes provision for doubtful debts of Rs. 695.94 Lakhs (previous year Rs. 667.96 lakhs)

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. CORPORATE INFORMATION

NITCO Limited (the "Company") is a limited company, incorporated on 25th July, 1966 in India, whose shares are publicly traded. The company is one of the leading players 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.

The Registered Office is located at Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East) Mumbai 400042

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these Financial Statements are set out in Para 2.3 below. These policies have been consistently applied to all the years presented.

2.1 Statement of Compliance

These Separate Financial Statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

2.2 Going Concern

The Standalone Financial Statements have been prepared on going concern basis [Refer Note 38b (iv)]

2.3 Basis of preparation and compliance with Ind AS

a. The Financial Statements have been prepared on an accrual basis following historical cost considering the applicable provisions of Companies Act, 2013, except for the following material item that has been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- Certain financial assets/liabilities measured at fair value [Refer Note 2.4 (I)] and
- Any other item as specifically stated in the accounting policy. (Refer Note 35)

The carrying value of all the items of property, plant and equipment, as of the date of transition is considered the deemed cost. Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

1. Level 1 input are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the 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

The Financial Statement are presented in INR and all values are rounded off to Rupees lakhs unless otherwise stated. The Company reclassifies comparative amounts, unless impracticable.

The Financial Statements of the Company for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the directors on 30th May, 2023.

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

Use of Estimates

In the application of accounting policy which are described in note 2.4 below, the management is required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. [Refer Note 2.4 (a)]

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

Impairment of Non-financial Assets

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset [Refer Note 2.4 (g)]

Impairment of Financial Assets

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date. (Refer Note 2.4 m (iv)]

Defined Benefit Plans

The cost of the defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 35)

Leases

IND AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. [Refer Note 2.4 (e)]

Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

2.4 Significant accounting policies

a. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs [Refer Note 2.4 (q)] and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located. Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as Property, Plant and Equipment.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

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

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external/internal technical evaluation as given below:

Class of assets	Basis	Useful life/ rate of depreciation
Office equipment – mobile	SLM	2 years
Motor vehicles	SLM	4 years
Computer software	SLM	5 years
Showroom Building (civil)	SLM	10 years
Plant and machinery – Punch & Dies	SLM	2 years
Other Plant and Machinery	SLM	7, 10 and 18 years
Fit-out and other assets at sales outlets	SLM	5 years
Roads	SLM	30 and 60 years

The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life or 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 the 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 the carrying amount. These are included in the Statement of Profit and Loss with other gains/(losses)

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

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

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

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

b. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation Intangible assets with finite lives are amortised on a Straight-Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset are reviewed at least at the end of each reporting period. Costs relating to computer software are capitalised and amortised on the straight-line method over their estimated useful economic life of six years.

c. Asset held for Sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that cease to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the “Held for Sale” criteria.

d. Share-based payments

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

e. Leases

The Company has applied IND AS 116 using the modified retrospective approach.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land & buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate specific to the Company. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the financial statements

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

f. Inventories

Inventories consisting of stores, spares, raw materials, packing material, finished goods, Work in progress, and trading material are valued at lower of cost and net realisable value after providing for obsolescence if any. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Cost is determined on a moving weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost 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 based one normal capacity of production.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value.

g. 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 than assets or Cash-Generating Units (CGU) fair value fewer costs of disposal and its value in use. The 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 groups 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

h. Revenue recognition

The Company derives revenues primarily from sale of goods comprising of Tiles, Marble and Mosaic

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Revenue from sale of goods is recognized, at a point in time when control is transferred to customer , as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It excludes Goods and Services tax. It is measured at the amount of transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

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

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method

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

i. Foreign currency transactions

The Financial Statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognized in the Statement of Profit and Loss.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

j. Share Capital and Securities Premium

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

k. Dividend Distribution to Equity Shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

l. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

m. 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. The Company recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

(a) Financial assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Profits or loss based on its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Investments in subsidiaries

Investments in equity shares of subsidiaries are carried at cost less impairment.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, Investment in units of Mutual Funds, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

i. Initial recognition and measurement

All financial assets are recognised 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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method

ii. Subsequent measurement

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

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

  Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets 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. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. 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 in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

- **Financial assets at fair value through other comprehensive income:**

  Financial assets are mandatorily measured at fair value through other comprehensive income if the financial asset 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**

  Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

iii. **De-recognition**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

iv. **Impairment of financial assets**

The Company assesses impairment based on the 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.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

(b) Financial liabilities

The Company's financial liabilities includes borrowings, trade payable, accrued expenses and other payables.

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

i. **Initial recognition and measurement**

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

ii. **Subsequent measurement**

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

- **Financial liabilities at amortized cost**

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

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

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

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

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

iii. **De-recognition**

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

n. Employee Benefits

1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and performance incentives, are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

2. Long term employee benefits

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employee's upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using Projected Unit Credit Method. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

3. Post-employment benefit plan

The Company provides the following post-employment benefits:

- Defined benefit plans such as gratuity
- Defined contributions plan such as provident fund & pension fund

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Eligible employees of the Company receive benefits from a provident fund which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Company contributes a part of the contribution to the provident fund.

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

4. Defined Contribution Plans:

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution

0. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Unavoidable cost is determined based on cost that are directly attributable to having and executing the contracts.

Contingent liabilities may arise from the ordinary course of business about claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognised, however disclosed in Financial Statement when 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 is recognised as an asset.

p. Taxes on Income

Income tax expense represents the sum of tax currently payable. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates and provisions of the Income Tax Act, 1961 for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income. Minimum Alternate Tax (MAT) paid by the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset on the Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the Company.

Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and deferred tax liabilities are offset and presented as the net. Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

q. Finance Costs

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

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized/inventoried as part of the 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 to get ready for its intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete

r. 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 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 for based on 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 a reasonable basis have been included under “unallocated revenue/expenses/assets/liabilities”.

s. Earnings per share

In determining the earnings per share, the Company considers the net profit/(loss) after tax and the 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

t. Cash flow statement

Statement of Cash Flows is prepared to segregate the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using an indirect method, prescribed in the relevant IND AS adjusting the net profit / (Loss) for the effects of:

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

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

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks

u. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification

i. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

ii. An liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

v. Research and development costs

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

3. Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Lease Hold land	Buildings	Office Equipment's	Plant & Equipment	Electrical Installations	Furniture & Fixture	Windmill	Vehicles (Finance Lease)	Total
Cost										
As at April 1, 2021	**6,003.57**	**278.38**	**19,938.85**	**1,151.64**	**55,706.21**	**1,093.50**	**2,836.69**	**3,680.54**	**663.43**	**91,352.81**
Additions	-	-	11.42	58.63	34.40	0.41	3.89	-	-	108.75
Disposals	-	-	3.09	1.55	-	-	-	-	-	4.64
As at March 31, 2022	**6,003.57**	**278.38**	**19,947.18**	**1,208.72**	**55,740.61**	**1,093.91**	**2,840.58**	**3,680.54**	**663.43**	**91,456.92**
As at April 1, 2022	**6,003.57**	**278.38**	**19,947.18**	**1,208.72**	**55,740.61**	**1,093.91**	**2,840.58**	**3,680.54**	**663.43**	**91,456.92**
Additions	-	-	-	15.13	3.44	-	2.70	-	-	21.27
Disposals	-	-	-	-	-	-	-	-	11.75	11.75
As at March 31, 2023	**6,003.57**	**278.38**	**19,947.18**	**1,223.85**	**55,744.05**	**1,093.91**	**2,843.28**	**3,680.54**	**651.68**	**91,466.44**
Depreciation										
As at April 1, 2021	**-**	**22.38**	**10,833.54**	**1,072.03**	**33,749.63**	**1,020.72**	**2,392.74**	**2,646.51**	**612.00**	**52,349.55**
Depreciation charge for the year	-	6.18	582.79	44.10	1,986.40	16.33	52.66	151.36	22.89	2,862.71
Disposals	-	-	2.93	1.55	-	-	-	-	-	4.48
As at March 31, 2022	**-**	**28.56**	**11,413.40**	**1,114.58**	**35,736.03**	**1,037.05**	**2,445.40**	**2,797.87**	**634.89**	**55,207.78**
As at April 1, 2022	**-**	**28.56**	**11,413.40**	**1,114.58**	**35,736.03**	**1,037.05**	**2,445.40**	**2,797.87**	**634.89**	**55,207.78**
Depreciation charge for the year	-	6.18	570.88	38.20	1,978.03	7.90	44.48	151.36	1.24	2,798.27
Disposals	-	-	-	-	-	-	-	-	11.75	11.75
As at March 31, 2023	**-**	**34.74**	**11,984.28**	**1,152.78**	**37,714.06**	**1,044.95**	**2,489.88**	**2,949.23**	**624.38**	**57,994.30**
Net Book Value:										
As at March 31, 2023	**6,003.57**	**243.64**	**7,962.90**	**71.07**	**18,029.99**	**48.96**	**353.40**	**731.31**	**27.30**	**33,472.14**
As at March 31, 2022	**6,003.57**	**249.82**	**8,533.78**	**94.14**	**20,004.58**	**56.86**	**395.18**	**882.67**	**28.54**	**36,249.14**

Notes:

1. Property , plant and equipment pledged as security, refer to note 17.1 for information on property , plant and equipment pledged as security by the company
2. Refer Note No. 45 for details of Immovable Property not held in the name of the company

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3.1 CAPITAL WORK -IN-PROGRESS

	(Rs. In Lakhs)
Opening Balance as at 01st April, 2021	**310.76**
Add: Addition	16.00
Less: Capitalisation	66.09
Balance as at 01st April, 2022	**260.67**
Add: Addition	-
Less: Capitalisation	16.00
Balance as at 31st March, 2023	**244.67**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 and March 31, 2022 is as follows:

(Rs. in Lakhs)

Particular		Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Projects in progress	(31st March 2023)	-	-	-	-	-
	(31st March 2022)	16.00				16.00
Projects temporarily suspended	(31st March 2023)	-	-	-	244.67	244.67
	(31st March 2022)	-	-	-	244.67	244.67
Total Projects in progress	(31st March 2023)	-	-	-	-	-
	(31st March 2022)	16.00	-	-	-	16.00
Total Projects temporarily suspended	(31st March 2023)	-	-	-	244.67	244.67
	(31st March 2022)	-	-	-	244.67	244.67

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2023 and March 31, 2022 (The Management will re-estimate the cost of completion once the project is started) :

(Rs. in Lakhs)

Particular		To be completed in				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Projects temporarily suspended						
Digital Showroom	(31st March 2023)	-	-	-	244.67	244.67
Digital Showroom	(31st March 2022)	-	-	-	244.67	244.67
Projects in progress						
Others	(31st March 2023)	-	-	-	-	-
Others	(31st March 2022)	16.00	-	-	-	16.00

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3A. Right-of-use Asset

Amounts recognised in balance sheet and statement of profit and loss :

(Rs. In Lakhs)

	Amount
Balance as at 1 April 2021	208.66
Add: Additions	-
Less: Depreciation charged on the right-of-use assets	137.67
Balance as at 31 March 2022	**70.99**
Balance as at 1 April 2022	70.99
Add: Additions	246.76
Less: Depreciation charged on the right-of-use assets	122.12
Balance as at 31 March 2023	**195.63**

4. Intangible assets (Computer Software) - Acquired

(Rs. in Lakhs)

		Amount
Cost		
As at April 1, 2021		**433.76**
Additions		-
Disposals		-
As at March 31, 2022		**433.76**
Additions		40.00
Disposals		-
As at March 31, 2023		**473.76**
Amortisation		
As at April 1, 2021		**433.76**
Amortisation charge for the year		-
Disposals		-
As at March 31, 2022		**433.76**
Amortisation charge for the year		5.59
Disposals		-
As at March 31, 2023		**439.35**
Net book value :		
As at March 31, 2023		**34.41**
As at March 31, 2022		**-**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

5. Investments

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Investments in subsidiaries - At cost less Impairment		
(a) Investments in equity shares (unquoted)		
Nitco Realities Private Limited:		
2,00,000 Equity shares of Rs.1 each fully paid up	694.59	694.59
New Vardhman Vitrified Private Limited:		
1,27,50,000 Equity shares of Rs.10 each fully paid up	1,561.35	1,561.35
Less : Provision for diminution in the value of investment (Refer note below)	1,561.35	1,561.35
Total	**694.59**	**694.59**
(b) Investments in preference shares (unquoted)		
New Vardhman Vitrified Private Limited:		
47,87,763 Preference shares of Rs.10 each fully paid up	478.78	478.78
Less : Provision for diminution in the value of investment (Refer note below)	478.78	478.78
Total	**-**	**-**
Aggregate value of unquoted investments	**694.59**	**694.59**

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

The company has sold its stake in New Vardhman Vitrified Private Limited ("NVVPL) and the money against the same has been received. However NVVPL shares that were in the name of company have not been handed over to the buyer due to non receipt of no objection certificate from LIC (one of the lenders of the Company)

6. Other financial assets

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balances with Banks - Held as Margin Money # (Refer note 6.1)	2,310.95	2,309.97
Security Deposits	1,176.65	1,109.65
Total	**3,487.60**	**3,419.62**

Margin money with banks is given for Bank Guarantees.

6.1 Fixed deposit amounting to Rs. 141.14 Lakhs (previous year Rs. 141.14 Lakhs) is in the name of Cospar Impex Pvt Ltd which is merged in the company in the past years.

7. Other non-current assets

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Income Tax Payment (Net)	438.67	404.71
Capital Advances*	995.99	995.99
Prepaid Lease rental	87.71	131.51
Total	**1,522.37**	**1,532.21**

* Capital advances to Saumya Buildcon is expected to be recovered in FY 2024. Hence, no provision has been made in the accounts for the same.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

8. Inventories (At lower of Cost and Net Realisable Value)

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Raw Materials	600.61	369.01
Finished Goods	4,569.90	4,762.35
Stock in trade	1,486.80	1,128.34
Stores and spares	115.33	101.18
Total	**6,772.64**	**6,360.88**

During the year the company has written down inventory on account of slow moving, non-moving and old inventory by Rs. 55.34 Lakhs (previous year Rs. 353.86 lakhs)

During the year we have written off old inventory by Rs. NIL (previous year Rs. 172.24 lakhs)
There is no Goods In Transit as on 31 March, 2023

9. Inventories – Real Estate

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Land at Kanjurmarg (Refer note no.45)	15,000.00	15,000.00
Total	**15,000.00**	**15,000.00**

10. Trade receivables

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Undisputed Trade Receivable considered good - Unsecured	8,460.30	10,321.34
Less : Expected credit loss	1,068.76	666.34
Trade Receivable considered good - Unsecured	**7,391.54**	**9,655.00**
Undisputed Trade receivables credit impaired - Unsecured	4,282.45	3,957.33
Less : Allowance	4,282.45	3,957.33
Trade Receivable credit impaired - Unsecured	**-**	**-**
Disputed Trade Receivable credit impaired - Unsecured	725.54	757.14
Less : Allowance	725.54	757.14
Trade Receivable credit impaired - Unsecured	**-**	**-**
Total trade receivables	**7,391.54**	**9,655.00**

Note:

10.1 The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

10.2 Allowance includes allowance for expected credit loss and allowance for credit impairment

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Trade receivables aging schedule for the year ended as on March 31,2023 and March 21 2022 :

(Rs. in Lakhs)

Particulars		Outstanding for following periods from due date of payment						
		Not Due	Less than 6 Months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables - Considered good	(31st March 2023)	3,325.42	4,209.77	360.09	267.16	297.86	-	8,460.30
	(31st March 2022)	1,025.59	7,454.15	151.22	494.11	1,196.27	-	10,321.34
Undisputed Trade receivables - Credit impaired	(31st March 2023)	-	-		-	-	4,282.45	4,282.45
	(31st March 2022)	-	-		-	-	3,957.33	3,957.33
Disputed Trade receivables - Considered good	(31st March 2023)	-	-		-	-	-	-
	(31st March 2022)	-	-		-	-	-	-
Disputed Trade receivables - Credit impaired	(31st March 2023)	-	-	-	-	-	725.54	725.54
	(31st March 2022)	-	-	-	-	-	757.14	757.14
	(31st March 2023)	3,325.42	4,209.77	360.09	267.16	297.86	5,007.99	13,468.29
	(31st March 2022)	1,025.59	7,454.15	151.22	494.11	1,196.27	4,714.47	15,035.81
Less : Allowance for credit loss	(31st March 2023)	-	-	-	-	-	-	6,076.75
	(31st March 2022)	-	-	-	-	-	-	5,380.81
Total Trade Receivables	**(31st March 2023)**	**-**	**-**	**-**	**-**	**-**	**-**	**7,391.54**
	(31st March 2022)	**-**	**-**	**-**	**-**	**-**	**-**	**9,655.00**

11. Cash and cash equivalents

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	1,052.88	1,162.15
Cash In hand	2.48	4.93
Total	**1,055.36**	**1,167.08**

12. Loans

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Loans to Related Parties - refer note 34 (C)		
Unsecured, Considered Good (Refer note (i) below)	5,887.35	5,887.35
Unsecured, Credit Impaired	1,824.83	1,824.83
Less: Impairment	(1,824.83)	(1,824.83)
Other Loans & Advances		
Unsecured, Considered Good	5.32	7.67
Total	**5,892.67**	**5,895.02**

Note: (i) The Company had advanced money in the past to Nitco Realties Private Limited ("NRPL"), a wholly owned subsidiary of the company in the form of Equity Investment of Rs. 694.59 lakhs and Loans of Rs. 5,885.10 lakhs, who along with its subsidiaries have acquired land from the money. Due to conditions of Real Estate market and financial crunch in company the proposed real estate project has been temporarily stalled. There is no specific agreement entered into between company and NRPL and hence there are no terms and conditions with respect to repayment or charging interest. Management has done a detailed evaluation on the recoverability of these equity investments/ loans given. The Valuation of Land in NRPL along with its subsidiaries has been conducted by an independent valuer. On the basis of such valuation done, management believes that the loans given are recoverable and accordingly no provision is required to be recorded in respect of these balances as at the year end. The management expects this amount to be recovered in current year.

(ii) There are no loans due from directors or other officers of the Company either severally or jointly with any other person.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

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

(Rs. in Lakhs)

	Loans Outstanding		Maximum amount outstanding during the year ended on	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Nitco Realties Pvt. Ltd.	5,885.10	5,885.10	5,885.10	5,919.10
Meghdoot Properties Pvt. Ltd.	0.57	0.57	0.57	0.57
Maxwealth Properties Pvt. Ltd.	0.57	0.57	0.57	0.57
Feel Better Housing Pvt. Ltd.	0.57	0.57	0.57	0.57
Silver-Sky Real Estates Pvt. Ltd.	0.54	0.55	0.55	0.55

Note - Balance outstanding w.r.t. New Vardhman Vitrified Private Limited ("NVVPL") is not disclosed above as it ceases to be the subsidiary of the company (Also Refer to note no. 5)

13. Other financial assets

(Rs. in Lakhs)

	As at March 31, 2023	**As at March 31, 2022**
Others (Unsecured considered good unless otherwise stated)	47.57	36.84
Total	**47.57**	**36.84**

14. Other current assets

(Rs. in Lakhs)

	As at March 31, 2023	**As at March 31, 2022**
Balance with statutory authorities	2,515.45	3,071.55
Advances for supply of goods and rendering of services*	224.78	450.05
Prepaid expenses	107.15	104.20
Other Receivables	136.40	149.64
Total	**2,983.78**	**3,775.44**

***Note -** Net of Provision of Rs. 964.32 Lakhs

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

15. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Authorised:				
Equity Shares:				
Equity shares of Rs.10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Preference Shares:				
Redeemable Preference Shares of Rs.10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of Rs.10/- each	7,18,58,955	7,185.90	7,18,58,955.00	7,185.90
Total	**7,18,58,955**	**7,185.90**	**7,18,58,955.00**	**7,185.90**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year 31 March 23

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	7,18,58,955	7,185.90	7,18,58,955.00	7,185.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,18,58,955	7,185.90	7,18,58,955.00	7,185.90

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

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held having face value of Rs. 10 each	% of holding in class	Number of shares held having face value of Rs. 10 each	% of holding in class
Aurella Estates And Investments Pvt Ltd	2,56,76,949	35.73%	2,56,76,949	35.73%
Vivek Prannath Talwar	63,23,669	8.80%	63,23,669	8.80%
JM Financial Asset Reconstruction Company Ltd	1,70,04,732	23.66%	1,71,59,617	23.88%

C. Terms/Rights attached to equity shares

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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

D. Shareholding of promoter

Promoter name	No of Shares as on 31 March, 2023	% of total shares	No of Shares as on 31 March, 2022	% of total shares	% Change during the year
Vivek Prannath Talwar *	63,23,669	8.8	63,23,669	8.8	-
Aurella Estates And Investments Pvt Ltd *	2,56,76,949	35.73	2,56,76,949	35.73	-
Promoter Group					
Rajeshwari Prannath Talwar	8,25,988	1.15	8,25,988	1.15	-
Anjali Vivek Talwar	5,43,146	0.76	5,43,146	0.76	-
Poonam Wasan	1,19,432	0.17	1,19,432	0.17	-
Lovraj Talwar	87,301	0.12	87,301	0.12	-
Sanjnaa Talwar	85,517	0.12	85,517	0.12	-
Vivek Talwar (HUF)	27,264	0.04	27,264	0.04	-
A N Talwar (HUF)	2,001	0	2,001	0	-
Watco Engineering Co. Pvt. Ltd	16,16,712	2.25	16,16,712	2.25	-
Nitco Paints Pvt. Ltd.	15,98,299	2.22	15,98,299	2.22	-
Rang Mandir Builders Pvt. Ltd.	2,80,269	0.39	2,80,269	0.39	-
Ushakiran Builders Pvt. Ltd.	2,09,417	0.29	2,09,417	0.29	-
Lavender Properties Pvt. Ltd.	2,08,072	0.29	2,08,072	0.29	-
Prakalp Properties Pvt. Ltd.	1,75,785	0.24	1,75,785	0.24	-
Eden Garden Builders Pvt. Ltd.	1,56,951	0.22	1,56,951	0.22	-
Nitco Tiles And Marble Industries Andhra Pvt. Ltd.	85,517	0.12	85,517	0.12	-
Enjoy Builders Pvt. Ltd.	72,646	0.1	72,646	0.1	-
Northern India Tiles Corporation	2,240	0	2,240	0	-
Northern India Tiles (Sales) Corporation	1	0	1	0	-

* Shares held by promoters are pledged against Term Loans assigned to JM Financial Assets Reconstruction Company

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

16. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Re-measurements of defined benefit obligations	Total other Equity
	Capital Reserve	Share Premium Account	Capital Redemption Reserve	General Reserve	Retained Earnings / (Losses)		
Notes	(a)	(b)	(c)	(d)	(e)		
As at 1st April 2022	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(75,997.54)**	**57.33**	**(26,661.29)**
Net income / (loss) for the year	-	-	-	-	(15,125.86)	-	(15,125.86)
Other comprehensive income	-	-	-	-		30.30	30.30
As at 31 March 2023	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(91,123.40)**	**87.63**	**(41,756.85)**
As at 1st April 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,410.89)**	**19.04**	**(14,112.93)**
Net income / (loss) for the year	-	-	-	-	(12,586.65)	-	(12,586.65)
Other comprehensive income	-	-	-	-		38.29	38.29
As at 31 March 2022	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(75,997.54)**	**57.33**	**(26,661.29)**

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

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

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

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

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

17. Borrowings

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Redeemable Non-Convertible Preference Shares (refer Note-i)	15,000.00	15,000.00
Redeemable Non-convertible Debentures (refer Note-ii)	5,000.00	5,000.00
Long term maturities of finance lease	-	2.63
Total	**20,000.00**	**20,002.63**

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

ii. During FY 2017-18, the debt of the Company was restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans. The Company is negotiating a similar settlement agreement with other lender(s), Pending negotiations no further adjustments have been made. [Also refer Note No. 38 b (iv)]

17.1 Secured long term borrowings

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31-Mar-23			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	-	29,047.16	29,047.16	20,000.00	9%	20 structured quarterly instalments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the company
Term loans Facility 2 (secured)	-	37,035.10	37,035.10	30,000.00	9%	Repayable from the proceeds of sale of identified Non Core Assets over a period of five years commencing from FY 2018	• 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 shares held by Nitco Ltd & Nitco Realities Pvt Ltd
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.	• Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Glamorous Properties Pvt Ltd & by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the company
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2018).	• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Total (A)	**20,000.00**	**66,082.26**	**86,082.26**				

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

17.1 Secured long term borrowings (Contd.)

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31.03.2023			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans not assigned to JM Financial Assets Reconstruction Company							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	11.25%	32 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60	2,000.00	10.75%	24 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	
Vehicle Loans	-	2.63	2.63	203.00	3M LIBOR Plus 2.60 %	Equated monthly instalments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying company owned vehicles
Total (B)	**-**	**1,889.90**	**1,889.90**				
Grand TOTAL (A+B)	**20,000.00**	**67,972.16**	**87,972.16**				

17.1 Secured long term borrowings (Contd.)

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31-Mar-22			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	-	26,098.59	26,098.59	20,000.00	9%	20 structured quarterly instalments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the company
Term loans Facility 2 (secured)	-	33,089.16	33,089.16	30,000.00	9%	Repayable from the proceeds of sale of identified Non Core Assets over a period of five years commencing from FY 2018	• 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 shares held by Nitco Ltd & Nitco Realities Pvt Ltd
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.	• Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Glamorous Properties Pvt Ltd & by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the company
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2018).	• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Total (A)	**20,000.00**	**59,187.75**	**79,187.75**				

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

17.1 Secured long term borrowings (Contd.)

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31.03.2022			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans not assigned to JM Financial Assets Reconstruction Company							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	11.25%	32 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60	2,000.00	10.75%	24 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	
Vehicle Loans	2.63	14.91	17.54	203.00	3M LIBOR Plus 2.60 %	Equated monthly instalments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying company owned vehicles
Total (B)	**2.63**	**1,902.18**	**1,904.81**				
Grand TOTAL (A+B)	**20,002.63**	**61,089.93**	**81,092.56**				

i. JM Financial Asset Reconstruction Company Limited (JMFARC) representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis vide their sanction letter dated 23rd January 2018. Based on the agreement entered into with JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s).

ii. The default in repayment of dues to JMFARC (including interest) amounts to Rs. 66,082.26 lakhs (Previous Year Rs. 33,479 lakhs) [Refer Note 38 b(iv)]

18. Lease Liabilities

Non Current

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (refer note 47)	106.40	33.93
Total	**106.40**	**33.93**

Current

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (refer note 47)	102.58	51.63
Total	**102.58**	**51.63**

19. Provisions

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Leave Encashment	160.06	214.60
Total	**160.06**	**214.60**

20. Trade payables

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues of micro and small enterprises;	740.93	640.26
- total outstanding dues of creditors other than micro and small enterprises	15,116.85	13,588.22
Total	**15,857.78**	**14,228.48**

Trade Payable ageing schedule for the year ended as on 31st March 2023 and 31st March 2022

Particular		**Outstanding for the following periods from the due date of payment**					
		Not Due	**Less than 1 Year**	**1-2 Years**	**2-3 years**	**More than 3 Years**	**Total**
Outstanding due to MSME	(31st March 2023)	322.69	401.19	1.53	6.94	8.58	740.93
	(31st March 2022)	373.14	223.71	1.04	20.45	21.92	640.26
Others	(31st March 2023)	6,335.77	6,891.95	72.49	162.97	1,653.67	15,116.85
	(31st March 2022)	7,267.74	3,991.99	227.15	624.88	1,476.46	13,588.22
Total Trade Payable	(31st March 2023)	6,658.46	7,293.14	74.02	169.91	1,662.25	15,857.78
	(31st March 2022)	7,640.88	4,215.70	228.19	645.33	1,498.38	14,228.48

Notes:

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

II. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company

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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
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	740.93	640.26
- Interest due and unpaid on the above amount	31.24	21.50
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Interest due and payable for the period of delay	44.76	39.56
Interest accrued and remaining unpaid	133.23	88.47
Amount of further interest remaining due and payable	-	-

21. Other financial liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Loans & Advances from related parties (Refer Note 34)	191.50	191.50
Deposits received	863.69	845.11
Other Advances	1,136.81	740.80
Amount payable to capital creditors	41.12	68.01
Interest accrued but not due on borrowings	98.23	21.92
Total	**2,331.35**	**1,867.34**

22. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Other payable	6,609.90	5,766.87
Total	**6,609.90**	**5,766.87**

23. Current Provisions

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Leave Encashment	61.02	58.68
Provision for Gratuity	164.67	278.78
Total	**225.69**	**337.46**

24. **Revenue from operations**

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Products	37,824.12	40,345.04
	37,824.12	**40,345.04**
Other operating revenues		
Labour charges	226.48	303.81
Lease rental	5.82	5.74
Other Operating income	110.50	212.66
	342.80	**522.21**
Total	**38,166.92**	**40,867.25**

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. (Refer Note 36)

25. **Other income**

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Rent Received	23.59	13.39
Miscellaneous income	399.92	241.76
Profit on sale of PPE	0.57	463.85
Net gain/(loss) on foreign currency transactions	26.33	25.64
Total	**450.41**	**744.64**

26. **Cost of materials consumed**

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	983.25	1,132.81
Add: Purchases	4,365.86	2,541.89
	5,349.11	**3,674.70**
Less: Inventory at the end of the year	1,376.15	983.25
Raw Material Consumed	**3,972.96**	**2,691.45**
Packing Material Consumed	81.85	99.63
Cost of materials Consumed	**4,054.81**	**2,791.08**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Stock in Trade - Opening	830.12	1,053.25
Stock in Trade - Closing	585.99	830.12
	244.13	**223.13**
Finished Goods (Mfg.) - Opening	5,459.39	6,212.01
Finished Goods (Mfg.) - Closing	5,174.42	5,459.39
	284.97	**752.62**
Total Change in Inventories	**529.10**	**975.75**

28. Employee benefits expense

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	4,865.19	4,830.57
Contribution to provident and other funds (Refer Note 35a)	199.90	195.98
Gratuity (Refer Note 35 D)	66.17	85.49
Other Employee Costs	241.42	222.52
Total	**5,372.68**	**5,334.56**

29. Finance costs

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on debt and borrowings	7,238.32	6,354.18
Finance Cost on Lease Liability	22.43	15.68
Other financial charges	74.54	62.75
Total	**7,335.29**	**6,432.61**

30. Depreciation and amortisation expense

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	2,798.27	2,862.71
Amortisation of Intangible assets (refer note 4)	5.59	-
Depreciation on Right-of-use Assets (refer Note 3A)	122.12	137.67
Total	**2,925.98**	**3,000.38**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

31. Other expenses

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Other Manufacturing Expenses		
*Power and fuel	175.25	151.78
Consumption of stores and spare parts	316.90	243.89
	492.15	**395.67**
Repairs and Maintenance		
Buildings	1.33	0.38
Machinery	15.38	11.88
Others Repairs & Maintenance	182.44	147.88
	199.15	**160.14**
Rent Rates and Taxes	439.40	619.40
Electricity Charges	195.71	109.01
Processing Charges Mosaico/Marble	103.21	102.56
Water Charges	31.44	8.91
Postage and Telephone	128.68	114.82
Printing and Stationery	15.82	21.01
Insurance	53.69	52.29
Legal and Professional Fees	170.10	286.06
Travelling & Conveyance Expenses	755.70	601.00
Audit Fees	11.60	15.10
Hire Charges	56.31	43.40
Security Charges	152.46	133.78
Provision for Advance	-	247.02
Miscellaneous Expenses	255.40	376.77
Advertisement & Sales Promotion Expenses	922.82	915.26
Freight Forwarding & Distribution Expenses	1,146.20	1,785.97
C&F Charges	42.40	73.18
Provision for Doubtful Debts	695.94	667.96
Bad Debts	9.80	25.16
Total	**5,877.98**	**6,754.47**

* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2022-23, the company has sold power to MSEDCL amounting to Rs 259.02 lakhs (previous year Rs. 255.03 lakhs). The power generated through windmills was sold to MSEDCL under 13 year Power Purchase Agreement. Post expiry of initial Power Purchase Agreement, generation from windmill was sold to MSEDCL as prevailing rate (current year Rate Rs. 2.52 per Kwh).

32. Exceptional items

Exceptional items pertains to provision for litigation settlement amounting Rs. 1,585.34 Lakhs for the year ended 31st March, 2023

On 27th January, 2020, lock out was declared in tiles manufacturing unit situated at Alibaug. The Lockout at the Alibaug plant continues. The Management has reached a settlement with the Alibaug Union representing the 250 workmen of the plant. 240 workers have accepted the settlement agreement. Under the settlement agreement the workers have been offered a VRS scheme and paid Exgratia and an additional compensation of Rs. 1,496.01 Lakhs along with their legal dues and Gratuity. Accordingly the case filed by the Union in the labour court and conciliation meeting in the Labour Commissioner's office post the settlement agreement stands dismissed.

The company has also offered Rs. 89.33 lakhs under settlement agreement to employees on a contractual basis at Alibaug Plant.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

33. Earnings per share (EPS)

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/ (Loss) for the year (Rs.)	(15,125.86)	(12,586.65)
Equity shares at the beginning of the year (nos.)	7,18,58,955	7,18,58,955
Equity shares issued during the year	-	-
Equity shares at the end of the year (nos.)	7,18,58,955	7,18,58,955
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	7,18,58,955	7,18,58,955
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	7,18,58,955	7,18,58,955
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(21.05)	(17.52)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(21.05)	(17.52)

34. Related party disclosures as required by IND As 24 “Related Party Disclosures” are given below:

(A) List of related parties

I. Entities controlled by the Company, irrespective of whether transactions have occurred or not.

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at March 31, 2023	As at March 31, 2022
Subsidiaries			
Nitco Realties Private Limited	India	100	100
Step-down Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100
Quick Innovationlab Pvt. Ltd.	India	100	100

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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/Person having significant influence over the Company

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar – Chairman & Managing Director

JM Financial Asset Reconstruction Company Ltd

Key Management Personnel (KMP)

Vivek Talwar – Chairman & Managing Director
Sharath Padmanabh Bolar *
Bharti Pradeep Dhar (upto September 21, 2022)
Siddharth Pradip Kothari (upto July 14, 2021)
Vivek Grover - Nominee Director of JMFARC (upto September 20, 2022)
Rakesh Kashimpuria - Nominee Director of JMFARC (upto September 21, 2022)
Manish Puri (Upto September 10, 2022)
Prakash Iyer (Upto August 18, 2022)
Ajay Bakshi (w.e.f October 19, 2022)
Harsh Kedia (w.e.f November 11, 2022)
Poonam Talwar (w.e.f October 19, 2022)
Geeta Karira (w.e.f July 14, 2022)
Anjanikumar Sharma (w.e.f November 22, 2022)
Santosh Shet (w.e.f November 11, 2022)
Priyanka Agarwal (w.e.f November 11, 2022)
Chaandnee Wasan (w.e.f October 19, 2022)
Anikaa Pradip Wasan (w.e.f October 19, 2022)

*Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sudden demise

Relative of Key Management Personnel (KMP)

Anjali Talwar – Wife
Rohan Talwar - Son
Poonam Talwar - Sister

Post - employment benefit plans

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

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 Natural Resources LLP
IB Hospitality Pvt. Ltd.
IBH Rome LLC
Watco Trading Pvt. Ltd.
Watco Engineering Pvt. Ltd.
Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd
Nitco Sales Corporation Delhi
Nitco Tiles Sales Corporation
Northern India Tiles Sales Corporation
Nitco Paints Pvt.Ltd.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(B) Transactions with related parties:

Transactions	Year ended 31 March 2023					Year ended 31 March 2022				
	Subsidiaries	Entity having significant influence over the Company	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total	Subsidiaries	Entity having significant influence over the Company	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total
Export Sales										
IBH Rome LLC	-	-	-	1.45	**1.45**	-	-	-	-	**-**
Other Expenses										
IB Hospitality Pvt Ltd	-	-	-	6.01	**6.01**	-	-	-	9.77	**9.77**
Directors Sitting Fees										
Rakesh Kashimpuria*	-	-	1.50	-	**1.50**	-	-	1.50	-	**1.50**
Manish Puri	-	-	2.10	-	**2.10**	-	-	1.15	-	**1.15**
Sharath Padmanabh Bolar	-	-	-	-	**-**	-	-	1.30	-	**1.30**
Bharti Pradeep Dhar	-	-	2.65	-	**2.65**	-	-	2.45	-	**2.45**
Siddharth Pradip Kothari	-	-	-	-	**-**	-	-	0.50	-	**0.50**
Vivek Grover*	-	-	1.50	-	**1.50**	-	-	1.50	-	**1.50**
Prakash Iyer	-	-	2.15	-	**2.15**	-	-	0.55	-	**0.55**
Ajay Bakshi	-	-	1.45	-	**1.45**	-	-	-	-	**-**
Santosh Shet	-	-	1.10	-	**1.10**	-	-	-	-	**-**
Harsh Kedia	-	-	1.35	-	**1.35**	-	-	-	-	**-**
Priyanka Agarwal	-	-	1.35	-	**1.35**	-	-	-	-	**-**
Poonam Talwar	-	-	1.05	-	**1.05**	-	-	-	-	**-**
Interest Expense										
JM Financial Asset Reconstruction Company Ltd	-	7,144.52	-	-	**7,144.52**	-	6,264.41	-	-	**6,264.41**
Managerial remuneration to Key Management Personnel										
Geeta Karira	-	-	9.45	-	**9.45**	-	-	-	-	**-**
Anjanikumar Sharma	-	-	32.83	-	**32.83**	-	-	-	-	**-**
Chaandnee Wasan	-	-	5.00	-	**5.00**	-	-	-	-	**-**
Anikaa Pradip Wasan	-	-	15.07	-	**15.07**	-	-	-	-	**-**
Loans & Advances (Received), Paid and Adjusted										
Nitco Realties Pvt. Ltd.	-	-	-	-		(34.00)		-	-	**(34.00)**

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

(C) Balances outstanding as at the year end

Transactions	Year ended 31 March 2023					Year ended 31 March 2022				
	Subsidiaries	Entity having significant influence over the Company	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total	Subsidiaries	Entity having significant influence over the Company	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total
Amount Receivable/(Payable)										
Nitco Realties Private Limited	5,885.10	-	-	-	**5,885.10**	5,885.10	-	-	-	**5,885.10**
Meghdoot Properties Private Limited	0.57	-	-	-	**0.57**	0.57	-	-	-	**0.57**
Maxwealth Properties Private Limited	0.57	-	-	-	**0.57**	0.57	-	-	-	**0.57**
Feel Better Housing Private Limited	0.57	-	-	-	**0.57**	0.57	-	-	-	**0.57**
Silver-Sky Real Estates Private Limited	0.54	-	-	-	**0.54**	0.54	-	-	-	**0.54**
Eden Garden Builders Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Enjoy Builders Private Limited	-	-	-	205.00	**205.00**	-	-	-	205.00	**205.00**
Lavender Properties Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Prakalp Properties Private Limited	-	-	-	145.00	**145.00**	-	-	-	145.00	**145.00**
Rang Mandir Builders Private Limited	-	-	-	200.00	**200.00**	-	-	-	200.00	**200.00**
Usha Kiran Builders Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Nitco Tiles & Marble Industries (Andhra) Private Limited	-	-	-	1.00	**1.00**	-	-	-	1.00	**1.00**
Recondo Ltd	-	-	-	7.74	**7.74**	-	-	-	7.74	**7.74**
Poonam Talwar	-	-	9.19	-	**9.19**	-	-	9.19	-	**9.19**
Nitco Paints Private Limited	-	-	-	(191.50)	**(191.50)**	-	-	-	(191.50)	**(191.50)**
Eden Garden Builders Private Limited	-	-	-	(17.97)	**(17.97)**	-	-	-	(17.97)	**(17.97)**
Enjoy Builders Private Limited	-	-	-	(27.94)	**(27.94)**	-	-	-	(27.94)	**(27.94)**
Lavender Properties Private Limited	-	-	-	(21.75)	**(21.75)**	-	-	-	(21.75)	**(21.75)**
Prakalp Properties Private Limited	-	-	-	(20.13)	**(20.13)**	-	-	-	(20.13)	**(20.13)**
Rang Mandir Builders Private Limited	-	-	-	(28.85)	**(28.85)**	-	-	-	(28.85)	**(28.85)**
Usha Kiran Builders Private Limited	-	-	-	(21.57)	**(21.57)**	-	-	-	(21.57)	**(21.57)**
Saisha Natural Resources LLP	-	-	-	(225.51)	**(225.51)**	-	-	-	(225.51)	**(225.51)**
Glamorous Properties Private Limited	-	-	-	(0.02)	**(0.02)**	-	-	-	(0.02)	**(0.02)**
Watco Trading Private Limited	-	-	-	(115.70)	**(115.70)**	-	-	-	(115.70)	**(115.70)**
Watco Engineering Private Limited	-	-	-	(23.40)	**(23.40)**	-	-	-	(23.40)	**(23.40)**
Nitco Sales Corporation Delhi	-	-	-	(0.02)	**(0.02)**	-	-	-	(0.02)	**(0.02)**
Nitco Tiles Sales Corporation	-	-	-	(0.23)	**(0.23)**	-	-	-	(0.23)	**(0.23)**
Northern India Tiles Sales Corporation	-	-	-	(1.73)	**(1.73)**	-	-	-	(1.73)	**(1.73)**
IB Hospitality Pvt Ltd	-	-	-	(0.50)	**(0.50)**	-	-	-	-	**-**
Ajay Bakshi	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Santosh Shet	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Harsh Kedia	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Priyanka Agarwal	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
JM Financial Asset Reconstruction Company Ltd	-	(86,082.26)	-	-	**(86,082.26)**	-	(79,187.75)	-	-	**(79,187.75)**
Guarantee Received										
Subsidiary Companies & Promoter Group	86,082.26	-	-	-	**86,082.26**	79,187.75	-	-	-	**79,187.75**

Note: As at 31st March, 2023 the shareholding of the company in New Vardhman Vitrified Private Limited (NVVPL) is 49%. The company has no influence over NVVPL or its KMP nor controls the composition of its Board

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

35 Employee benefit plans

a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company's contribution to the provident fund, superannuation fund and national pension scheme is Rs.199.90 Lakhs for the year ended 31st March 2023 (31st March 2022 Rs. 195.98 Lakhs) [Refer Note 28]

b) Defined benefit Plan

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

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2023 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

A. Movements in present value of defined benefit obligation

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Defined benefit obligation at the beginning of the year	765.42	757.16
Current Service Cost	48.62	67.88
Interest Expense or Cost	48.19	46.53
Past Service Cost	-	-
Benefits paid	(329.80)	(67.85)
Actuarial (gain)/ loss	(82.87)	(38.29)
Defined benefit obligation at the end of the year	**449.56**	**765.42**

B. Movements in the fair value of plan assets

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Fair value of plan assets at the beginning of the year	486.59	470.49
Investment income	30.63	28.92
Contribution by employer	150.04	55.03
Benefits paid	(329.80)	(67.85)
Return on Plan Assets, excluding amount recognised in	(52.58)	
Expected Interest Income on plan assets	-	-
Fair value of plan assets at the end of the year	**284.88**	**486.59**

C. Amount recognized in the balance sheet

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Fair value of plan assets	449.56	765.42
Defined benefit obligation	284.88	486.58
Net Asset/ (Liability) recognised in the Balance Sheet	(164.68)	(278.84)
Effects of Asset Ceiling, if any	-	-
Amount recognised in the Balance Sheet	**(164.68)**	**(278.84)**

D. Amount recognised in Statement of Profit and Loss

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Current service cost	48.62	67.88
Past service cost	-	-
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	17.55	17.61
Amount recognised in Statement of Profit and Loss	**66.17**	**85.49**

E. Amount recognised in Other Comprehensive Income:

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Actuarial changes arising from changes in demographic assumptions	2.46	(0.13)
Actuarial changes arising from changes in financial assumptions	(19.44)	(5.72)
Experience adjustments	(65.90)	(32.44)
Return on plan assets, excluding amount recognized in net interest expense	52.58	-
Amount recognised in Other Comprehensive Income	**(30.30)**	**(38.29)**

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

	31-Mar-23	31-Mar-22
Investment Details	Funded	Funded
Funds managed by Insurer	**100%**	**100%**

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

	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.30%	6.30%
Salary growth rate (per annum)	6.00%	6.00%
Retirement age	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

H. A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Defined Benefit Obligation (Base)	449.56	765.42

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	465.67	434.53	802.81	731.21
(% change compared to base due to sensitivity)	3.60%	-3.30%	4.90%	-4.50%
Salary Growth Rate (- / + 1%)	434.85	469.50	731.43	801.77
(% change compared to base due to sensitivity)	-3.30%	3.40%	-4.40%	4.70%
Attrition Rate (- / + 50% of attrition rates)	442.89	451.28	765.03	763.80
(% change compared to base due to sensitivity)	-1.50%	0.40%	0.10%	-0.20%
Mortality Rate (- / + 10% of mortality rates)	449.52	449.59	765.40	765.45
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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

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

(Rs. in Lakhs)

	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	148.07	189.60
Between 2 and 5 years	256.18	377.68
Between 6 and 10 years	1,452.51	309.74
Beyond 10 years	49.80	192.31

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

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

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

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

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

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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

A. Business Segment:

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Net sales / Income from operations		
- Tiles and other related products	38,161.10	40,861.51
- Real estate	5.82	5.74
Total Revenue	**38,166.92**	**40,867.25**
Segment results		
- Tiles and other related products	(8,045.93)	(6,775.30)
- Real estate	(195.05)	(123.38)
Total Segment Profit/(Loss) after Exceptional items - Gain/(Loss)	**(8,240.98)**	**(6,898.68)**
- Interest and other financial cost	7,335.29	6,432.61
- Other Income	450.41	744.64
Profit /(Loss) Before Tax	**(15,125.86)**	**(12,586.65)**
Provision for Tax	-	-
Profit /(Loss) After Tax	**(15,125.86)**	**(12,586.65)**

Capital Employed

(Rs. in Lakhs)

	Segment Asset		Segment Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
- Tiles and other related products	55,429.86	60,732.48	24,942.14	22,056.34
- Real estate	22,925.30	22,979.27	189.52	173.61
- Unallocated/ Corporate	439.81	405.73	88,234.26	81,362.92
Total	**78,794.97**	**84,117.48**	**1,13,365.92**	**1,03,592.87**

B. Geographical Segment:

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

(Rs. in Lakhs)

	India		Rest of the world		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue	33,447.92	34,856.19	4,719.00	6,011.06	38,166.92	40,867.25
Carrying cost of Segment assets	78,794.97	84,117.50	-	-	78,794.97	84,117.50
Addition of fixed assets and tangible assets	21.27	108.75	-	-	21.27	108.75

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

37. Share based payments

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the shareholders of the Company on 30th March, 2019. The scheme entitles employees of the company to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco limited Employee Stock Option Plan
Exercise Price	Rs. 39.55
Vesting conditions	2,78,000 options 12 months after the grant date ('First vesting')
	2,78,000 options 24 months after the grant date ('Second vesting')
	2,78,000 options 36 months after the grant date ('Third vesting')
	2,78,000 options 48 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 4 years from grant
Number of share options granted	No share options granted during FY: 2022-23
Method of settlement	Equity

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

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

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2021	**4,62,000**	**39.55**
Granted during the year	-	-
Forfeited during the year	1,70,000	39.55
Exercised during the year	-	-
At 31 March 2022	**2,92,000**	**39.55**
Exercisable as at 31 March 2022	**1,46,000**	**39.55**
At 1 April 2022	**2,92,000**	**39.55**
Granted during the year	-	-
Forfeited during the year	80,000	39.55
Exercised during the year	-	-
At 31 March 2023	**2,12,000**	**39.55**
Exercisable as at 31 March 2023	1,59,000	39.55
Weighted average remaining contractual life (in years)	0.32	

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

Grant Date	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 July 2023	11 March 2024
Fair value of option at grant date (In Rs.)	0.13	0.13	0.13
Exercise price (In Rs.)	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	0.32	0.32	0.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

38. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31 March 2023 are Rs.0.04 Lakhs (31 March 2022 - Rs. 42.25 Lakhs).

(b) Contingent Liabilities

(Rs. in Lakhs)

		As at March 31, 2023	As at March 31, 2022
a)	Bank Guarantee given by the company	3,765.56	3,765.56
b)	Demands against the company not acknowledged as debts and not provided for against		
	i. Penalty levied by DGFT, Delhi (refer to note (ii) below)	16,980.00	16,980.00
	ii. Demand order for unearned income (refer to note (iii) below)	5,105.88	5,105.88
	iii. In respect of Value added tax, Service Tax, GST, Custom Duty and Income Tax Demands pending before various authorities and in dispute	4,507.06	4,603.17
c)	Legal matters	337.27	241.69
d)	Estimated amount of interest on loan which is not provided in the books (refer note v below)	2,639.43	2,428.22

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly has agitated 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 situated at Kanjur Marg, held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of Rs. 5,105.88 Lakhs in this regard. The company has filed a filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March,2018. However same was confirmed as interim relief by order dated 09th September, 2019

iv. In 2018, the Company had received sanction from JM Financial Asset Reconstruction Company Limited (""JMFARC"") for restructuring of Company's debt vide a Restructuring Agreement dated 27th March 2018 entered between the Company and JMFARC.

In accordance with the terms of the Restructuring agreement, the Company was obligated to ensure repayment of the Restructured Facilities, along with interest thereon in the manner specified in the Restructuring Agreement. Upon failure to ensure repayment of restructured facilities, JMFARC shall have an absolute right to revoke the reliefs and concessions granted in the Restructuring agreement. Accordingly, the debts and interest are stated at the restructured values.

The Company had committed default in ensuring the repayments of the restructuring facility. On 19 September 2022, JMFARC has revoked the restructuring of existing facilities (excluding the NCD and RPS facility) and the dues amounting to Rs. 2,42,762.93 Lakhs has been reinstated, however as per books of accounts the loans are not restated and the balance as at 31st March, 2023 is Rs. 66,082.26 Lakhs

The Company is in the process of negotiating with the JMFARC for the restructuring/extension of restructuring of its facilities. Pending negotiations, no further adjustment is made.

Further, Company has received an email on 15th November 2022 from JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014- Trust) - Financial Creditor w.r.t. filing of Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process. The application is numbered and the C.P. (I B) No. allotted is - C.P. (IB)/1308(MB)2022. The application is listed on the NCLT under cause list.

JMFARC also filed the CIRP against Corporate Guarantors namely Aurella Estate and Investments Pvt. Ltd (entity having significant influence over the Company), Nitco Realities Pvt. Ltd. (Subsidiary) and Megdoot Properties Pvt. Ltd., Feel Better Housing Pvt. Ltd., Maxwealth Properties Private Limited, Silver-Sky Real Estate Pvt. Ltd. (4 Step-down Subsidiaries).

The Company is taking appropriate legal advice and will take all appropriate steps to protect its interest in the aforesaid matter.

The Company has filed a reply with Hon'ble NCLT citing appropriate defence. The matter is listed for hearing on 07 June, 2023.

v. Restructuring of Company's debt (excluding debts of LIC) was approved by JMFARC on January 23, 2018. The Company is negotiating with LIC for restructuring of its facility (principal outstanding Rs. 1,887.26 Lakhs as on 31.03.2023 on terms similar to restructuring done by JMFARC. Pending negotiations with LIC, no further adjustments , especially the provision of interest amounting to Rs 2,639.43 Lakhs is not made.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

39. Capital Management

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

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

(Rs. in Lakhs)

		As at March 31, 2023	As at March 31, 2022
Debt#	A	87,972.16	81,092.56
Cash & cash equivalent	B	1,055.36	1,167.08
Net Debt	C=(A-B)	86,916.80	79,925.48
Equity	D	(34,570.95)	(19,475.39)
Net Debt to Equity ratio *	E=(C/D)	-	-

Debt is defined as long term, short term borrowings and current maturities of long term debts and finance lease obligations as prescribed in note 17.1 and also includes interest accrued but not due on borrowings.

* Adverse capital gearing ratio reflects decrease in equity on account of losses incurred during the year.

40. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 11)	1,055.36	1,055.36	1,167.08	1,167.08
Trade Receivables (Refer Note 10)	7,391.54	7,391.54	9,655.00	9,655.00
Loans (Refer Note 12)	5,892.67	5,892.67	5,895.02	5,895.02
Other Financial Assets (Refer Note 13)	47.57	47.57	36.84	36.84
Total	**14,387.14**	**14,387.14**	**16,753.94**	**16,753.94**

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at fair value through Statement of Profit and Loss at Cost	-	-	-	-
Investments	-	-	-	-
Financial liabilities at amortised cost:				
Trade Payables (Refer note 20)	15,857.78	15,857.78	14,228.48	14,228.48
Other Financial Liabilities (Refer Note 21)	2,331.35	2,331.35	1,867.35	1,867.35
Borrowings (Refer Note 17 & 17.1)	87,972.16	87,972.16	81,092.56	81,092.56
Lease Liabilities (Refer Note 18)	208.97	208.97	85.56	85.56
Total	**1,06,370.26**	**1,06,370.26**	**97,273.95**	**97,273.95**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil

41. Financial risk management objectives

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

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

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

i. Foreign currency risk:

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

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

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Foreign currency	Indian currency	Foreign currency	Indian currency
Foreign trade payables				
AED	1.01	18.41	1.01	21.52
USD	0.02	10.21	0.36	27.96
EUR	0.00	0.67	-	-
Borrowing	-	-	-	-
Foreign trade receivables				
EUR	-	-	0.58	48.04
AUD	0.00	0.07	-	-
USD	2.71	223.63	6.13	456.74

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	% Change in foreign currency rate	Effect on profit /(Loss) before tax				
		USD	EUR	AED	AUD	Total
As at 31 March 2023	5%	10.67	(0.03)	(0.92)	0.00	9.72
	-5%	(10.67)	0.03	0.92	(0.00)	(9.72)
As at 31 March 2022	5%	21.48	2.40	(1.08)	-	22.80
	-5%	(21.48)	(2.40)	1.08	-	(22.80)

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

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Fixed Rate Borrowings	87,972.16	81,092.56
Floating Rate Borrowings	-	-
Total Borrowing	**87,972.16**	**81,092.56**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit/(loss) before tax for the year ended March 31, 2023 would decrease/increase by NIL (for the year ended March 31, 2022: decrease/ increase by NIL)

iii. **Credit risk**

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

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

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	925.11	1,841.61
Other trade receivables	6,466.44	7,813.40
	7,391.54	**9,655.00**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2023 on account of carrying amount of loans /advances /deposit, trade and other receivables and guarantees is disclosed in note 34 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 unrelated parties is minimised as the Company deals only with reputed parties.

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

iv. Liquidity risk

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

Liquidity table:

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

(Rs. in Lakhs)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total
As at 31-Mar-23						
Borrowings		67,972.16	-		20,000.00	87,972.16
Trade payables	-	13,951.60	243.93	1,662.25		15,857.78
Other financial liabilities	863.69	1,467.66				2,331.35
Total	**863.69**	**83,391.42**	**243.93**	**1,662.25**	**20,000.00**	**1,06,161.29**
As at 31-Mar-22						
Borrowings		61,089.93	2.63		20,000.00	81,092.56
Trade payables		11,856.58	873.52	1,498.38		14,228.48
Other financial liabilities	845.11	1,022.24				1,867.35
Total	**845.11**	**73,968.75**	**876.15**	**1,498.38**	**20,000.00**	**97,188.39**

42. Details of significant changes in key financial ratios

Sr. no	Ratio Analysis	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance
1	Current Ratio	Current Assets	Current Liabilities	0.42	0.50	-16.4%
2	Debt Equity Ratio	Debt	Shareholder's Equity	(2.55)	(4.16)	-38.8%
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	(0.07)	(0.05)	38.5%
4	Return on Equity Ratio*	Profit for the period	Avg. Shareholders Equity	NA	NA	NA
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	4.67	2.97	57.1%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	4.06	2.76	47.5%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	2.76	3.08	-10.3%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(0.71)	(0.99)	-28.3%
9	Net Profit Ratio*	Net Profit	Net Sales	NA	NA	NA
10	Return on Capital employed*	EBIT	Capital Employed	NA	NA	NA
11	Return on Investment	Return/Profit/Earnings	Investment	-	-	-

Current Ratio : Deterioration on account of current years accrued interest in borrowings

Debt Equity Ratio: Deterioration on account of accumulation of current year net loss in equity.

Debt Service Coverage Ratio: Deterioration on account of current years accrued interest in borrowings

Inventory Turnover Ratio: Improvement on account of inventory optimisation.

Trade Receivables Turnover Ratio: Improvement on account improved realisation from trade receivables.

Net Capital Turnover Ratio: Deterioration on account of increase in current maturity of long term debts.

* Not Applicable ("NA") as company has incurred losses in current & previous financial year.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

43. Balance confirmation

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

44. Additional regulatory information required by Schedule III of Companies Act, 2013

I. Utilisation of Borrowed funds and share premium:

A) During the year the Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year the Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

B) The Company has not granted any loans or advances in the nature of loans repayable on demand during the year. However, the company has given loan to Nitco Realties Private Limited ("NRPL") without specifying any terms or period of repayment in earlier years. The balance as at the year-end of such loan is as under

(Rs. in Lakhs)

Description	Related parties
The aggregate amount of loans/ advances in nature of loans	-
loans/ advances in nature of loans (A)	-
The agreement does not specify any terms or period of repayment (B)	-
There is no agreement (C)	5,888
Total (A+B+C)	5,888
Percentage of loans/ advances in nature of loans to the total loans	100%

II. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

III. The Company has not been declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

IV. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

V. The Company has not recorded any transactions which are not in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

VI. The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

VII. The Company has not entered into any scheme of arrangement which has an accounting impact on current and previous year.

VIII. During the year no funds raised on short-term basis have been used for long-term purposes by the Company.

IX. The Company has complied with the number of layers prescribed under the Companies Act, 2013

X. There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

45. Immovable property not held in the name of Company

(Rs. In Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Property, Plant and Equipment	Leasehold land at Thane	278.38	Mahalakshmi Tiles and Marble Company Pvt. Ltd.	Company controlled by the relatives of Promoter	31-12-2005	Mahalakshmi Tiles and Marble Company Pvt. Ltd. is merged with Nitco tiles Ltd
Property, Plant and Equipment	Land At Alibaug	0.31	Vilas Kalan & Others	No	25-02-1995	Registration of Agreement is under process
Property, Plant and Equipment	Land At Alibaug	4.89	Dattatrey Patil & Others	No	28-02-1995	
Property, Plant and Equipment	Land At Alibaug	1.99	Vithal Padu Patil	No	24-11-1995	
Property, Plant and Equipment	Land At Alibaug	3.58	Balaram S Mhatre	No	15-12-1995	
Property, Plant and Equipment	Land At Alibaug	2.40	Madhukar Patil	No	12-06-1995	
Property, Plant and Equipment	Land At Alibaug	2.36	Parshuram Posha Patil & Others	No	03-03-1995	
Property, Plant and Equipment	Land At Alibaug	0.32	Namdev Patil & Others	No	03-03-1995	
Inventories – Real Estate	Land At Kanjur Marg	15,000.00	Particle Boards India Limited	No	08-07-2011	Particle Boards India Limited is merged with Nitco Ltd [Refer note no. 38 (b) (iii)]

46. Balances outstanding along with Nature of transaction with struck off companies as per section 248 of the Companies Act, 2013

(Rs. In Lakhs)

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance outstanding as at 31/03/23	Relationship with the Struck off Company if any
BASSAN ENGINEERING CONST. P. L.	Trade payables	(0.22)	Not Applicable
BLUE OCEAN SHIPPING AGENCIES (I)	Other Advances	1.05	Not Applicable
Mayash Space Designs Pvt. Ltd.	Trade Receivables	137.22	Not Applicable
Maruthi Granito India Pvt Ltd	Trade payables	(0.39)	Not Applicable
SEALINKERS Pvt. Ltd.	Trade payables	(0.28)	Not Applicable
SUNIL TRADING CO.	Other Payables	(0.01)	Not Applicable
Valaya Homes Pvt. Ltd	Trade Receivables	18.55	Not Applicable
APS INTERIORS PRIVATE LIMITED	Other Payables	(0.03)	Not Applicable
CONCEPT CERAMIC PVT LTD	Trade Receivables	9.87	Not Applicable
AGAPE ADVERTISING PRIVATE LIMITED	Trade payables	(5.48)	Not Applicable

Note: The above list is based on the information available with the company

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

47. Lease

I. As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2023.

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

(c) Practical expedients applied :

Company has used the practical expedients permitted by the standard:

* applying a single discount rate to a portfolio of leases with reasonably similar characteristics

* accounting for operating leases with a remaining lease term of less than 12 months or with minimal rent payments as short-term leases

* In case of Leases which are having no lock in period or lease are cancellable with short notice by either party or lessee are not treated as lease for the purpose of IND AS 116.

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% pa with maturity between 2019-25.

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	3	2 to 3 Years
Office	1	5 to 6 years

(f) Lease payments not recognised as lease liabilities:

(Rs. In Lakhs)

	Year ended at 31-Mar-23	Year ended at 31-Mar-22
Expenses relating to short term leases (included in other expenses)	-	15.97
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	228.34	175.41
Total	**228.34**	**191.38**

(g) The total cash outflow for leases for the year ended 31 March 2023 was Rs 145.78 lakhs (previous year Rs. 162.37 lakhs)

(Rs. In Lakhs)

Minimum lease payments due	As at 31-Mar-23	As at 31-Mar-22
Not later than one year	44.43	57.41
Later than one year and not later than five years	9.20	36.80
Later than five years	-	-

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

II. As a Lessor

(Rs. In Lakhs)

	As at 31-Mar-23	As at 31-Mar-22
a) Amounts recognized in statement of profit and loss	23.59	13.39
Operating Lease Income	**23.59**	**13.39**

48. No provision for Deferred Tax has been made in the books due to accumulated loss

49. Contract with GAIL (India) Limited

The Company as a buyer entered into a Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where the seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of the above agreement, the company must pay for the quantity not taken/consumed as per the Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if the lockout continues for at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performing its obligations under this agreement, except those specifically provided herein. The Company has received a waiver letter for the period ending December 2022 exempting the Take or Pay claim. Accordingly based on the provisions of the Force Majeure clause and waiver letter, the Company does not expect any cash outflow.

50. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 30th May, 2023

51. The previous year figures are regrouped/ restated/ reclassified/ rearranged, wherever necessary, to make them comparable.

In terms of our report of even date annexed

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

N. Kashinath
Partner
Membership No.: 036490

Place : Mumbai
Dated : 30th May, 2023

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

Geeta Karira
Company Secretary

INDEPENDENT AUDITORS REPORT

To the Members of NITCO Limited

Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **NITCO Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended and notes to financial statements, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2023, and its consolidated losses (financial performance including Other Comprehensive Income), the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

Material Uncertainty Related to Going Concern

The Parent Company continues to incur losses resulting in an erosion of its net worth and its current liabilities exceeds current assets as of 31st March 2023.

We draw your attention to Note 38 (b)(iv) to the financial statements as regards to revocation of the restructuring of existing facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). – (Financial Creditor), vide letter dated 19th September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 31st March 2023 is Rs. 66,082.26 Lakhs).

On 15th November 2022, the Financial Creditor has made an Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process. We are informed that the Parent Company is seeking appropriate legal advice and will take all appropriate steps to protect its interest in the aforesaid matter. Accordingly, no adjustments have been made to the carrying values of the liabilities and their presentation and classifications in the results and are accounted on going concern basis.

Based on our audit conducted, we have concluded that a material uncertainty exists relating to events or conditions that may cast significant doubt on the parent entity's ability to continue as a going concern and to that extent, the audit report is qualified.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

3. Emphasis of Matter

i. We draw attention to Note no. 38 (b)(v) to the Consolidated Financial Statement which states that the parent company has not provided for interest on the outstanding loan of LIC of Rs. 1,887.26 lakhs (Principal outstanding), as they are hopeful of its restructuring same in line of JMFARC.

ii. We draw attention to Note no. 38 (b)(ii) to the Consolidated Financial Statement which states that the Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000.00 lakhs which is confirmed by the Appellate bench of DGFT, New Delhi. No provision for the demand is made in the books. Management of parent company has received legal opinion that the order is bad in law.

iii. We draw attention to Note no. 38 (b)(iii) to the Consolidated Financial Statement which states that the Revenue Department has raised a demand of Rs 5,105.88 lakhs. No provision for the demand is made in the books as parent company has received interim relief against the order from Bombay High Court.

iv. We draw attention to Note no. 6 to the Consolidated Financial Statement which states that the Management of parent company has not made provision for impairment of Rs. 995.99 lakhs with respect to capital advance given to Saumya Buildcon Pvt Ltd.

Our opinion is not modified in respect of these matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our Response
1) Assessment of impairment of valuation of Property, Plant and Equipment (as described in Note 3 of the Consolidated Ind AS Financial Statements)	**Our audit procedures included, among others the following:**
• The carrying values of the Group's Property, Plant and Equipment are assessed annually by management for potential indicators of impairment. • For the above impairment testing, management has determined the value in use and the fair value less cost to sell as applicable. • We have identified the assessment of potential impairment of PPE as a key audit matter because impairment assessment involves significant degree of management judgement in determining the key assumptions and forecasting future cash flows. • Valuation of underlying assets especially land with subsidiaries were done from Independent Valuer.	• We have evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment. • We have studied available financial information including considerations of the economic conditions and audited financial statements of the subsidiaries. • We have evaluated the current approximate market price of the land, real estate properties where the subsidiaries have invested for computing the recoverable amount • We have checked the Valuation report of underlying asset done by Independent Valuer. • We read and assessed the relevant disclosures made within the consolidated Ind AS financial statements.
2) Litigation, Claims and Contingent Liabilities	
• The holding company is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims. • Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter. • These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. • Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.	• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the holding company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • Examined the holding company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. • With respect to tax matters (direct and indirect), discussed with the group's tax officers and obtained their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. • Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. • For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the holding company's disclosures.

5. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance, 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 (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

7. Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

a) We did not audit the financial statements of one wholly owned subsidiary and 13 Step down subsidiaries whose financial statements reflect total assets of Rs. 6492.13 lakhs as at 31st March, 2023, total revenues of Rs. 206.70 lakhs, total net profit after tax of Rs. 0.67 lakhs for the year ended on that date, 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 Consolidated Financial Statements, 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) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) The consolidated financial statements for the year ended 31st March 2022 have been audited by another auditor who has expressed an unmodified opinion on those statements based on his audit for the year ended 31st March 2022.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2023 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 Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its subsidiary companies incorporated in India, has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note no. 38(b) to the Consolidated Financial Statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were no material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been received by the Company and its subsidiary companies incorporated in India, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company and its subsidiary has not declared or paid any dividend during the year as per Section 123 of the Companies Act, 2013 and hence clause (f) of Rule 11 of the Companies (Audit & Auditors) Rules, 2014 is not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor's Report) order,2020 (the order/CARO) issued by the central government in terms of section 143 (11) of the act, to be included in the Auditor's Report, according to the information and explanation given to us, and based on CARO reports issued by the auditor of the company included in the consolidated financial statements , we report that CARO is applicable and there are no qualifications or adverse remarks in these CARO reports.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Membership No.036490
UDIN: 23036490BGXRZC8152

Place: Mumbai
Date: 30th May, 2023

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NITCO LIMITED.

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

1. Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Financial Statements of **NITCO LIMITED** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

2. Management's Responsibility for Internal Financial Controls

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company and its subsidiary companies which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI 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 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 with reference to Financial Statements were 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by other auditors of a subsidiary company incorporated in India, in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiary companies which are incorporated in India.

4. Meaning of Internal Financial Controls With reference to Financial Statements

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

5. **Inherent Limitations of Internal Financial Controls With reference to Financial Statements**

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

6. **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to subsidiary companies, incorporated in India, is based on the report of the auditors.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg.No.107122W / W100672

N Kashinath
Partner
Membership No.036490
UDIN: 23036490BGXRZC8152

Place: Mumbai
Date: 30th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	33,582.26	36,367.39
Capital work-in-progress	3.1	423.84	439.84
Right-of-use Asset	3A	195.63	70.99
Intangible assets	4	34.41	-
Goodwill on Consolidation		323.77	323.77
Financial Assets			
Other Financial Assets	5	3,487.60	3,419.62
Other non-current assets	6	1,522.37	1,532.21
		39,569.88	**42,153.82**
Current assets			
Inventories	7	6,773.98	6,363.01
Inventories – Real Estate	8	18,734.29	18,734.30
Financial assets			
Trade receivables	9	7,398.94	9,661.36
Cash and cash equivalents	10	1,122.89	1,244.00
Loans	11	2,028.53	2,023.00
Other financial assets	12	60.67	36.84
Other current assets	13	3,016.08	3,798.08
Asset/ Disposal Group held for sale		3,084.24	3,084.24
		42,219.62	**44,944.83**
Total Assets		**81,789.50**	**87,098.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	7,185.90	7,185.90
Other equity	15	(42,112.80)	(27,018.32)
Equity attributable to equity holders of the Holding Company		**(34,926.90)**	**(19,832.42)**
Non-Controlling Interest		(1,724.57)	(1,724.32)
Total		**(36,651.47)**	**(21,556.74)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	20,000.00	20,002.63
Lease Liabilities	17	106.40	33.93
Provisions	18	160.06	214.60
Deferred tax liabilities	19	-	-
		20,266.46	**20,251.16**
Current liabilities			
Financial liabilities			
Borrowings	16.1	67,972.16	61,089.93
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises; and		740.93	640.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,181.35	13,644.61
Lease Liabilities	17	102.58	51.63
Other financial liabilities	21	2,340.15	2,083.63
Other current liabilities	22	6,917.08	5,862.83
Provisions	23	228.56	339.64
Liability/ Disposal Group held for sale		4,691.70	4,691.70
		98,174.51	**88,404.23**
Total Equity and Liabilities		**81,789.50**	**87,098.65**

Accompanying Notes are an integral part of these Financial Statements

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue From Operations	**24**	38,369.41	41,061.29
Other Income	**25**	454.61	747.18
Total Income		**38,824.02**	**41,808.47**
EXPENSES			
Cost of materials consumed	**26**	4,230.74	2,960.24
Purchase of stock-in-trade		26,062.01	28,909.69
Changes in inventories of finished goods, stock in trade and work-in-progress	**27**	529.10	975.75
Employee benefits expense	**28**	5,372.68	5,334.56
Finance costs	**29**	7,335.29	6,432.61
Depreciation and amortisation expense	**30**	2,925.98	3,000.37
Other expenses	**31**	5,907.13	6,809.20
Total Expenses		**52,362.93**	**54,422.42**
Profit /(Loss) before tax before exceptional items		**(13,538.91)**	**(12,613.95)**
Exceptional items - gain/(loss)	**32**	(1,585.34)	-
Profit /(Loss) before tax after exceptional items		**(15,124.25)**	**(12,613.95)**
Profit/(Loss) from discontinuing operations before tax		**-**	**-**
Profit / (Loss) from continuing and discontinued operations		**(15,124.25)**	**(12,613.95)**
Tax expense:			
Current Tax (current year)		0.90	0.20
Current Tax (earlier years)		(0.10)	-
Profit /(Loss) for the year		**(15,125.05)**	**(12,614.15)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		30.30	38.29
Income tax effect on such items		-	-
Total other comprehensive income for the year, net of tax		**30.30**	**38.29**
Total comprehensive income/(Loss) for the year, net of tax		**(15,094.75)**	**(12,575.86)**
Profit for the year attributable to:			
Owners of the Company		(15,124.80)	(12,613.33)
Non-Controlling Interests		(0.25)	(0.82)
Other Comprehensive Income for the year attributable to:			
Owners of the Company		30.30	38.29
Non-Controlling Interests		-	-
Total Comprehensive Income for the year attributable to:			
Owners of the Company		(15,094.50)	(12,575.04)
Non-Controlling Interests		(0.25)	(0.82)
Earnings per equity share: (In Rs.)			
Basic	**33**	(21.05)	(17.55)
Diluted		(21.05)	(17.55)

Accompanying Notes are an integral part of these Financial Statements

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity share capital

(Rs. in Lakhs)

Particulars	Amount
As at 1 April 2021	**7,185.90**
Changes during the year	-
As at 31 March 2022	**7,185.90**
Changes during the year	-
As at 31 March 2023	**7,185.90**

B. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Remeasurements of defined benefit obligations	Total Other equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)		
As at 1 April 2022	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(76,555.34)**	**57.33**	**(27,018.30)**
Net income / (loss) for the year	-	-	-	-	(15,124.80)		(15,124.80)
Other comprehensive income	-	-	-	-	-	30.30	30.30
As at 31 March 2023	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(91,680.13)**	**87.63**	**(42,112.80)**
As at 1 April 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,942.01)**	**19.04**	**(14,443.26)**
Net income / (loss) for the year	-	-	-	-	(12,613.33)	-	(12,613.33)
Other comprehensive income	-	-	-	-	-	38.29	38.29
As at 31 March 2022	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(76,555.34)**	**57.33**	**(27,018.30)**

NCI not included in Changes in Equity

Non controling interests

	31-Mar-23	31-Mar-22
Balance at the beginning of the year	(1,724.32)	(1,723.50)
Share of profit	(0.25)	(0.82)
Share of other comprehensive income	-	-
Balance at the end of the year	**(1,724.57)**	**(1,724.32)**

Details of Non- Controlling Interests

The table below show details relating to non controlling interest in the entities which are not wholly owned by the Group

	31-Mar-23	31-Mar-22
Glamorous Properties Private Limited	25%	25%

Accompanying Notes are an integral part of these Financial Statements
In terms of our report of even date annexed

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

N. Kashinath
Partner
Membership No.: 036490

Place : Mumbai
Dated : 30th May, 2023

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

Geeta Karira
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Amount in Rupees Lakhs unless otherwise stated)

		Year ended 31 March 2023		Year ended 31 March 2022	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Loss before tax & after exceptional items		(15,124.25)		(12,613.95)
	Adjusted for :				
	Depreciation & amortisation expense	2,925.98		3,000.38	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(0.57)		(451.59)	
	Finance costs	7,335.29		6,432.61	
	Provisions against current assets (Refer note 2 below)	800.49	11,061.19	1,147.35	10,128.75
	Operating Profit before Working Capital Changes		(4,063.06)		(2,485.20)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	(466.31)		1,136.15	
	(Increase)/decrease in trade receivables	1,535.84		(344.66)	
	(Increase)/decrease in other receivables	512.34		235.28	
	Increase/(decrease) in trade and other payables	2,773.80	4,355.67	1,929.57	2,956.34
	Cash Generated from Operations		292.61		471.14
	Taxes paid (net of refunds)		(33.96)		(0.20)
	Net Cash from operating activities		**258.65**		**470.94**
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	(36.53)		370.88	
	Net Cash used in Investing Activities		**(36.53)**		**370.88**
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	-		(53.67)	
	Finance costs (net)	(343.23)		(814.93)	
	Net Cash flow from in Financing Activities		**(343.23)**		**(868.60)**
	Net increase in Cash and Cash Equivalents (A+B+C)		**(121.11)**		**(26.77)**
	Cash and Cash Equivalents at the beginning of the year		1,244.00		1,270.77
	Less: Amount difference due to assets held for sale				-
	Cash and Cash Equivalents at the end of the year		**1,122.89**		**1,244.00**
	Components of cash and cash equivalents at the end of the year				
	Cash on hand		5.03		7.29
	Balance in current account and deposits with banks		1,117.86		1,236.71
	Cash and Cash Equivalents at the end of the year		**1,122.89**		**1,244.00**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2022	Cash Flows	Interest Accrued	As at March 31, 2023
Redeemable Non-Convertible Preference Shares	15,000.00			**15,000.00**
Redeemable Non-convertible Debentures	5,000.00			**5,000.00**
Borrowings	61,075.01		6,894.52	**67,969.53**
Vehicle Loan	17.54	(14.91)		**2.63**
Total liabilities from financing activities	**81,092.56**	**(14.91)**	**6,894.52**	**87,972.16**

Accompanying Notes are an integral part of these Financial Statements

Note to Consolidated Cash Flow Statement

1. Cash Flow Statement has been prepared under the Indirect Method.
2. Provisions against current assets includes provision for doubtful debts of Rs. 695.94 Lakhs (previous year Rs. 667.96 lakhs)

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. CORPORATE INFORMATION

The Consolidated Financial Statements comprise Financial Statements of NITCO Limited ("The Holding Company") and its Subsidiaries (collectively, the Group)

The Holding Company is one of the leading players in the tiles and marble business. The Holding Company has manufacturing facilities in Maharashtra and Silvassa and sells primarily in India through independent dealers/distributors and modern trade.

The Registered Office is located at Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East) Mumbai 400042

1.1 Principles of Consolidation

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on 31 March, 2023:

Particulars	Country of Incorporation	Percentage of ownership interest either directly or through subsidiaries	
		As at 31 March 2023	As at 31 March 2022
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd. (subsidiary till 10.12.2020) #	India	NA	NA
Nitco Realties Private Limited	India	**100**	100
Step-down Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	**100**	100
Meghdoot Properties Pvt. Ltd.	India	**100**	100
Roaring - Lion Properties Pvt. Ltd.	India	**100**	100
Feel Better Housing Pvt. Ltd.	India	**100**	100
Quick-Solution Properties Pvt. Ltd.	India	**100**	100
Silver-Sky Real Estates Pvt. Ltd.	India	**100**	100
Opera Properties Pvt. Ltd.	India	**100**	100
Ferocity Properties Pvt. Ltd.	India	**100**	100
Glamorous Properties Pvt. Ltd.	India	**75**	75
Nitco IT Parks Pvt. Ltd.	India	**100**	100
Nitco Aviation Pvt. Ltd.	India	**100**	100
Aileen Properties Pvt. Ltd.	India	**100**	100
Quick Innovation lab Pvt. Ltd.	India	**100**	NA

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31 March 2023. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Holding Company controls an investee if and only if the Holding Company has

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Holding Company's voting rights and potential voting rights
- The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Holding Company obtains control over the Subsidiary and ceases when the Holding Company loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the Subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March, 2023

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries
- Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

  Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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. When necessary, adjustments are made to the Financial Statements of Subsidiaries to bring their accounting policies in line with the Holding Company's accounting policies

  A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

  If the Holding Company loses control over a Subsidiary, it:

  - Derecognises the assets (including goodwill) and liabilities of the Subsidiary
  - Derecognises the carrying amount of any non-controlling interests
  - Derecognises the cumulative translation differences recorded in equity
  - Recognises the fair value of the consideration received
  - Recognises the fair value of any investment retained
  - Recognises any surplus or deficit in profit or loss
  - Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Holding Company had directly disposed of the related assets or liabilities.

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.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Statement of Compliance

These consolidated Financial Statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

2.2 Going Concern

The Consolidated Financial Statements have been prepared on going concern basis [Refer Note 38b (iv)]

2.3 Basis of preparation and presentation

a. The Consolidated Financial Statements have been prepared on an accrual basis following historical cost considering the applicable provisions of Companies Act, 2013, except for the following material item that has been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

- Certain financial assets/liabilities measured at fair value [Refer Note 2.4 (l)] and
- Any other item as specifically stated in the accounting policy. (Refer Note 35)

The carrying value of all the items of property, plant and equipment as of the date of transition is considered the deemed cost. Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

1. Level 1 input are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the 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

The Consolidated Financial Statement are presented in INR and all values are rounded off to Rupees lakhs unless otherwise stated. The Group reclassifies comparative amounts, unless impracticable

The Consolidated Financial Statements of the Group for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the directors on 30 May, 2023.

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

Use of Estimates

In the application of accounting policy which are described in note 2.4 below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. [Refer Note 2.4 (a)]

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

Impairment of Non-financial Assets

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset [Refer Note 2.4 (g)]

Impairment of Financial Assets

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date. (Refer Note 2.4 m (iv)]

Defined Benefit Plans

The cost of the defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 35)

Leases

IND AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts. [Refer Note 2.4 (e)]

Allowance for credit losses on receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future

2.4 Significant accounting policies

a. Property, Plant and Equipment (PPE)

The Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs [Refer Note 2.4 (q)] and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located. Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as Property, Plant and Equipment.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

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

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external/internal technical evaluation as given below:

Class of assets	Basis	Useful life/ rate of depreciation
Office equipment – mobile	SLM	2 years
Motor vehicles	SLM	4 years
Computer software	SLM	5 years
Showroom Building (civil)	SLM	10 years
Plant and machinery – Punch & Dies	SLM	2 years
Other Plant and Machinery	SLM	7, 10 and 18 years
Fit-out and other assets at sales outlets	SLM	5 years
Roads	SLM	30 and 60 years

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

The useful lives have been determined based on the 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 the carrying amount. These are included in the Statement of Profit and Loss with other gains/(losses)

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

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

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

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

b. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation Intangible assets with finite lives are amortised on a Straight-Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The amortisation period and method for an intangible asset are reviewed at least at the end of each reporting period. Costs relating to computer software are capitalised and amortised on the straight-line method over their estimated useful economic life of six years.

c. Asset held for Sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that cease to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the "Held for Sale" criteria.

d. Share-based payments

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

e. Leases

The Group has applied IND AS 116 using the modified retrospective approach.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land & buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate specific to the Group. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the financial statements

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

f. Inventories

Inventories consisting of stores, spares, raw materials, packing material, finished goods, Work in progress, and trading material are valued at lower of cost and net realisable value after providing for obsolescence if any. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

Cost is determined on a moving weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost 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 based one normal capacity of production.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value.

g. 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 Group estimates the asset's recoverable amount. The recoverable amount is higher than assets or Cash-Generating Units (CGU) fair value fewer costs of disposal and its value in use. The 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 groups 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

h. Revenue recognition

The Holding Company derives revenues primarily from sale of goods comprising of Tiles, Marble and Mosaic

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Revenue from sale of goods is recognized, at a point in time when control is transferred to customer , as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It excludes Goods and Services tax. It is measured at the amount of transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

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

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method

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

i. Foreign currency transactions

The Financial Statements of Group are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognized in the 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 from the translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of profit or loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates on dates of initial recognition.

j. Share Capital and Securities Premium

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

k. Dividend Distribution to Equity Shareholders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

l. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

m. 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. The Group recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

(a) Financial assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Group.

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Profits or loss based on its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Investments in subsidiaries

Investments in equity shares of subsidiaries are carried at cost less impairment.

Financial assets other than investment in subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, Investment in units of Mutual Funds, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

i. Initial recognition and measurement

All financial assets are recognised 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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

ii. Subsequent measurement

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

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

  Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets 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. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. 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 in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

- **Financial assets at fair value through other comprehensive income:**

  Financial assets are mandatorily measured at fair value through other comprehensive income if the financial asset 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 Group 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**

  Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

iii. Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

iv. Impairment of financial assets

The Group assesses impairment based on the 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.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

(b) Financial liabilities

The Group's financial liabilities includes borrowings, trade payable, accrued expenses and other payables.

The Group 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

ii. Subsequent measurement

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

- **Financial liabilities at amortized cost**

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

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

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

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred to repurchase in the near term. This category also includes derivative financial instruments entered into by the Group 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 Group 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 the Statement of Profit and Loss.

n. Employee Benefits

1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and performance incentives, are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

2. Long term employee benefits

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employee's upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using Projected Unit Credit Method. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

3. Post-employment benefit plan

The Holding Company provides the following post-employment benefits:

- Defined benefit plans such as gratuity
- Defined contributions plan such as provident fund & pension fund

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Eligible employees of the Holding Company receive benefits from a provident fund which is a defined benefit plan. Both the eligible employee and the Holding Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Holding Company contributes a part of the contribution to the provident fund.

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

4. Defined Contribution Plans:

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution

o. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Unavoidable cost is determined based on cost that are directly attributable to having and executing the contracts.

Contingent liabilities may arise from the ordinary course of business about claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognised, however disclosed in Financial Statement when 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 is recognised as an asset.

p. Taxes on Income

Income tax expense represents the sum of tax currently payable. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates and provisions of the Income Tax Act, 1961 for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income. Minimum Alternate Tax (MAT) paid by the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset on the Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the Group.

Deferred Tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and deferred tax liabilities are offset and presented as the net. Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

q. Finance Costs

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

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized/inventoried as part of the 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 to get ready for its intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete

r. 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 Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for 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 Group.

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

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

s. Earnings per share

In determining the earnings per share, the Group considers the net profit/(loss) after tax and the 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.

t. Cash flow statement

Statement of Cash Flows is prepared to segregate the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using an indirect method, prescribed in the relevant IND AS adjusting the net profit / (Loss) for the effects of:

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

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

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks

u. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification

i. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

ii. An liability is current when it is:

- It is expected to be settled in the normal operating cycle
- It is Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

v. Research and development costs

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3. Property, Plant and Equipment

Consolidate Fixed Asset Schedule for the Year ending March 31, 2023

(Rs. in Lakhs)

Particulars	Freehold Land	Lease Hold land	Buildings	Office Equipment's	Plant & Equipment	Electrical Installations	Furniture & Fixture	Windmill	Vehicles (Finance Lease)	Live Stock	Total
Cost											
As at April 1, 2021	**6,060.48**	**278.38**	**21,210.42**	**1,221.10**	**66,704.33**	**1,106.75**	**2,889.62**	**3,680.54**	**785.06**	**108.03**	**104,044.71**
Additions	-	-	11.42	58.63	34.40	0.41	3.89	-	-	30.01	138.76
Disposals	-	-	3.09	1.55	-	-	-	-	-	19.81	24.45
As at March 31, 2022	**6,060.48**	**278.38**	**21,218.75**	**1,278.18**	**66,738.73**	**1,107.16**	**2,893.51**	**3,680.54**	**785.06**	**118.23**	**104,159.03**
As at April 1, 2022	**6,060.48**	**278.38**	**21,218.75**	**1,278.18**	**66,738.73**	**1,107.16**	**2,893.51**	**3,680.54**	**785.06**	**118.23**	**104,159.03**
Additions	-	-	-	15.13	3.44	-	2.70	-	-	8.37	29.64
Disposals	-	-	-	-	-	-	-	-	11.75	16.50	28.25
As at March 31, 2023	**6,060.48**	**278.38**	**21,218.75**	**1,293.31**	**66,742.17**	**1,107.16**	**2,896.21**	**3,680.54**	**773.31**	**110.10**	**104,160.42**
Depreciation											
As at April 1, 2021	**56.91**	**22.38**	**12,105.12**	**1,145.03**	**44,747.77**	**1,033.96**	**2,442.12**	**2,646.51**	**733.61**	**-**	**64,933.41**
Depreciation charge for the year	-	6.18	582.79	44.10	1,986.40	16.33	52.66	151.36	22.89	-	2,862.71
Disposals	-	-	2.93	1.55	-	-	-	-	-	-	4.48
As at March 31, 2022	**56.91**	**28.56**	**12,684.98**	**1,187.58**	**46,734.17**	**1,050.29**	**2,494.78**	**2,797.87**	**756.50**	**-**	**67,791.64**
As at April 1, 2022	**56.91**	**28.56**	**12,684.98**	**1,187.58**	**46,734.17**	**1,050.29**	**2,494.78**	**2,797.87**	**756.50**	**-**	**67,791.64**
Depreciation charge for the year	-	6.18	570.88	38.20	1,978.03	7.90	44.48	151.36	1.24	-	2,798.27
Disposals	-	-	-	-	-	-	-	-	11.75	-	11.75
As at March 31, 2023	**56.91**	**34.74**	**13,255.85**	**1,225.78**	**48,712.20**	**1,058.19**	**2,539.25**	**2,949.23**	**746.00**	**-**	**70,578.16**
Net Book Value:											
As at March 31, 2023	**6,003.57**	**243.64**	**7,962.90**	**67.53**	**18,029.97**	**48.97**	**356.96**	**731.31**	**27.31**	**110.10**	**33,582.26**
As at March 31, 2022	**6,003.57**	**249.82**	**8,533.77**	**90.60**	**20,004.56**	**56.88**	**398.73**	**882.67**	**28.56**	**118.23**	**36,367.39**

Notes:

1. Property , plant and equipment pledged as security, refer to note 16.1 for information on property , plant and equipment pledged as security by the Holding Company
2. Refer Note No. 45 for details of Immovable Property not held in the name of the Holding Company

3.1 CAPITAL WORK -IN-PROGRESS

(Rs. in Lakhs)

Opening Balance as at 01st April, 2021	**477.93**
Add: Addition	28.00
Less: Capitalisation	66.09
Balance as at 01st April, 2022	**439.84**
Add: Addition	-
Less: Capitalisation	16.00
Balance as at 31st March, 2023	**423.84**

Capital work-in-progress ageing schedule for the year ended March 31, 2023 and March 31, 2022 is as follows:

(Rs. in Lakhs)

Particular		Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Projects in progress	(31st March 2023)	-	13.60	67.08	98.49	**179.17**
	(31st March 2022)	28.00	65.07	-	102.10	**195.17**
Projects temporarily suspended	(31st March 2023)	-	-	-	244.67	**244.67**
	(31st March 2022)	-	-	-	244.67	**244.67**
Total Projects in progress	(31st March 2023)	-	13.60	67.08	98.49	**179.17**
	(31st March 2022)	28.00	65.07	-	102.10	**195.17**
Total Projects temporarily suspended	(31st March 2023)	-	-	-	244.67	**244.67**
	(31st March 2022)	-	-	-	244.67	**244.67**

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2023 and March 31, 2022 (The Holding Company will re-estimate the cost of completion once the project is started):

(Rs. in Lakhs)

Particular		To be completed in				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Projects temporarily suspended						
Digital Showroom	(31st March 2023)	-	-	-	244.67	244.67
Digital Showroom	(31st March 2022)	-	-	-	244.67	244.67
Projects in progress						
Others	(31st March 2023)	-	-	-	-	-
Others	(31st March 2022)	16.00	-	-	-	16.00

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

3A. Right-of-use assets

Amounts recognised in balance sheet and statement of profit and loss :

(Rs. In Lakhs)

	Amount
Balance as at 1 April 2021	**208.66**
Add: Additions	-
Less: Depreciation charged on the right-of-use assets	137.67
Balance as at 31 March 2022	**70.99**
Balance as at 1 April 2022	**70.99**
Add: Additions	246.76
Less: Depreciation charged on the right-of-use assets	122.12
Balance as at 31 March 2023	**195.63**

4. Intangible assets (Computer Software) - Acquired

(Rs. in Lakhs)

Particulars	**Goodwill on Consolidation**	**Other Intangible Assets**	**Total**
Cost			
As at April 1, 2021	323.77	433.76	**757.53**
Additions	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2022	**323.77**	**433.76**	**757.53**
Additions	-	40.00	**40.00**
Disposals	-	-	**-**
As at March 31, 2023	**323.77**	**473.76**	**797.53**
Amortisation			
As at April 1, 2021	**-**	**433.76**	**433.76**
Amortisation charge for the year	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2022	**-**	**433.76**	**433.76**
Amortisation charge for the year	-	5.59	**5.59**
Disposals	-	-	**-**
As at March 31, 2023	**-**	**439.35**	**439.35**
Net book value :			
As at March 31, 2023	**323.77**	**34.41**	**358.18**
As at March 31, 2022	323.77	-	**323.77**

5. Other financial assets

(Rs. in Lakhs)

	As at March 31, 2023	**As at March 31, 2022**
Balances with Banks - Held as Margin Money # (Refer note 5.1)	2,310.95	2,309.97
Security Deposits	1,176.65	1,109.65
Total	**3,487.60**	**3,419.62**

Margin money with banks is given for Bank Guarantees.

5.1 Fixed deposit amounting to Rs. 141.14 Lakhs (previous year - Rs. 141.14 Lakhs) is in the name of Cospar Impex Pvt Ltd which is merged in the Holding Company in the past years

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

6. Other non-current assets

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Income Tax Payment (Net)	438.67	404.71
Capital Advances*	995.99	995.99
Prepaid Lease rental	87.71	131.51
Total	**1,522.37**	**1,532.21**

* Capital advances to Saumya Buildcon is expected to be recovered in FY 2024. Hence, no provision has been made in the accounts for the same.

7. Inventories (At lower of Cost and Net Realisable Value)

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Raw Materials	600.61	369.01
Finished Goods	4,571.24	4,764.48
Stock in trade	1,486.80	1,128.34
Stores and spares	115.33	101.18
Total	**6,773.98**	**6,363.01**

During the year the Holding Company has written down inventory on account of slow moving, non-moving and old inventory by Rs. 55.34 lakhs (previous year Rs. 353.86 lakhs)

During the year we have written off old inventory by Rs. NIL (previous year Rs. 172.24 lakhs)

There is no Goods In Transit as on 31 March, 2023

8. Inventories – Real Estate

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Land at Kanjurmarg (Refer Note No. 45)	15,000.00	15,000.00
Others	3,734.29	3,734.30
Total	**18,734.29**	**18,734.30**

9. Trade receivables (unsecured)

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade Receivable considered good - Unsecured	8,460.31	10,321.35
Less : Expected credit loss	1,068.76	666.35
Trade Receivable considered good - Unsecured	**7,391.55**	**9,655.00**
Undisputed Trade receivables credit impaired - Unsecured	4,289.84	3,963.69
Less : Allowance	4,282.45	3,957.33
Trade Receivable credit impaired - Unsecured	**7.39**	**6.36**
Trade Receivable credit impaired - Unsecured	725.54	757.14
Less : Allowance	725.54	757.14
Trade Receivable credit impaired - Unsecured	**-**	**-**
Total trade receivables	**7,398.94**	**9,661.36**

Note:

9.1 The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

9.2 Allowance includes allowance for expected credit loss and allowance for credit impairment

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Trade receivables aging schedule for the year ended as on March 31,2023 and March 31, 2022 :

Particulars		Outstanding for following periods from due date of payment						
		Not Due	Less than 6 Months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables - Considered good	(31st March 2023)	3,325.42	4,209.77	360.09	267.16	297.86	-	8,460.30
	(31st March 2022)	1,025.59	7,454.15	151.22	494.11	1,196.27	-	10,321.34
Undisputed Trade receivables - Credit impaired	(31st March 2023)	-	-	-	-	-	4,289.85	4,289.85
	(31st March 2022)	-	-	-	-	-	3,963.69	3,963.69
Disputed Trade receivables - Considered good	(31st March 2023)	-	-	-	-	-	-	-
	(31st March 2022)	-	-		-	-	-	-
Disputed Trade receivables - Credit impaired	(31st March 2023)	-	-	-	-	-	725.54	725.54
	(31st March 2022)	-	-	-	-	-	757.14	757.14
	(31st March 2023)	3,325.42	4,209.77	360.09	267.16	297.86	5,015.39	13,475.69
	(31st March 2022)	1,025.59	7,454.15	151.22	494.11	1,196.27	4,720.83	15,042.18
Less : Allowance for credit loss	(31st March 2023)	-	-		-	-	-	6,076.75
	(31st March 2022)	-	-	-	-	-	-	5,380.82
Total Trade Receivables	**(31st March 2023)**	**-**	**-**	**-**	**-**	**-**	**-**	**7,398.94**
	(31st March 2022)	**-**	**-**	**-**	**-**	**-**	**-**	**9,661.36**

10. Cash and cash equivalents

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
On current accounts	1,117.86	1,236.71
Cash on hand	5.03	7.29
Total	**1,122.89**	**1,244.00**

11. Loans

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Loans to Related Parties		
Unsecured, Considered Good	-	-
Other Loans & Advances		
Unsecured, Considered Good	2,028.53	2,023.00
Total	**2,028.53**	**2,023.00**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

12 Other financial assets

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Others (Unsecured considered good unless otherwise stated)	60.67	36.84
Total	**60.67**	**36.84**

13. Other current assets

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balance with statutory authorities	2,515.45	3,071.55
Advances for supply of goods and rendering of services*	224.78	450.05
Prepaid expenses	107.15	104.20
Other receivables	168.70	172.28
Total	**3,016.08**	**3,798.08**

*Note: Net of provision of Rs. 964.32 Lakhs

14. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Authorised:				
Equity Shares:				
Equity shares of Rs.10/- each	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Preference Shares:				
Redeemable Preference Shares of Rs.10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity shares of Rs.10/- each	7,18,58,955	7,185.90	7,18,58,955	7,185.90
Total	**7,18,58,955**	**7,185.90**	**7,18,58,955**	**7,185.90**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year 31 March 2023

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	7,18,58,955	7,185.90	7,18,58,955	7,185.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,18,58,955	7,185.90	7,18,58,955	7,185.90

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held having face value of Rs. 10 each	% of holding in class	Number of shares held having face value of Rs. 10 each	% of holding in class
Aurella Estates And Investments Pvt Ltd	2,56,76,949	35.73%	2,56,76,949	35.73%
Vivek Prannath Talwar	63,23,669	8.80%	63,23,669	8.80%
JM Financial Asset Reconstruction Company Ltd	1,70,04,732	23.66%	1,71,59,617	23.88%

C. Terms/Rights attached to equity shares:

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

D. Shareholding of promoter

Promoter name	No of Shares as on 31 March, 2023	% of total shares	No of Shares as on 31 March, 2022	% of total shares	% Change during the year
Vivek Prannath Talwar *	63,23,669	8.8	63,23,669	8.8	-
Aurella Estates And Investments Pvt Ltd *	2,56,76,949	35.73	2,56,76,949	35.73	
Promoter Group					
Rajeshwari Prannath Talwar	8,25,988	1.15	8,25,988	1.15	-
Anjali Vivek Talwar	5,43,146	0.76	5,43,146	0.76	-
Poonam Wasan	1,19,432	0.17	1,19,432	0.17	-
Lovraj Talwar	87,301	0.12	87,301	0.12	-
Sanjnaa Talwar	85,517	0.12	85,517	0.12	-
Vivek Talwar (HUF)	27,264	0.04	27,264	0.04	-
A N Talwar (HUF)	2,001	0	2,001	0	-
Watco Engineering Co. Pvt. Ltd	16,16,712	2.25	16,16,712	2.25	-
Nitco Paints Pvt. Ltd.	15,98,299	2.22	15,98,299	2.22	-
Rang Mandir Builders Pvt. Ltd.	2,80,269	0.39	2,80,269	0.39	-
Ushakiran Builders Pvt. Ltd.	2,09,417	0.29	2,09,417	0.29	-
Lavender Properties Pvt. Ltd.	2,08,072	0.29	2,08,072	0.29	-
Prakalp Properties Pvt. Ltd.	1,75,785	0.24	1,75,785	0.24	-
Eden Garden Builders Pvt. Ltd.	1,56,951	0.22	1,56,951	0.22	-
Nitco Tiles And Marble Industries Andhra Pvt. Ltd.	85,517	0.12	85,517	0.12	-
Enjoy Builders Pvt. Ltd.	72,646	0.1	72,646	0.1	-
Northern India Tiles Corporation	2,240	0	2,240	0	-
Northern India Tiles (Sales) Corporation	1	0	1	0	-

* Shares held by promoters are pledged against Term Loans assigned to JM Financial Assets Reconstruction Company

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

15. Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Remeasurements of defined benefit obligations	Total Other Equity
	Capital Reserve	Share Premium Account	Capital Redemption Reserve	General Reserve	Retained Earnings / (Losses)		
Notes	(a)	(b)	(c)	(d)	(e)		
As at 1 April 2022	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(76,555.34)**	**57.33**	**(27,018.30)**
Net income / (loss) for the year	-	-	-	-	(15,124.80)		(15,124.80)
Other comprehensive income	-	-	-	-		30.30	30.30
As at 31 March 2023	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(91,680.13)**	**87.63**	**(42,112.80)**
As at 1 April 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,942.01)**	**19.04**	**(14,443.26)**
Net income / (loss) for the year	-	-	-	-	(12,613.33)	-	(12,613.33)
Other comprehensive income	-	-	-	-	-	38.29	38.29
As at 31 March 2022	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(76,555.34)**	**57.33**	**(27,018.30)**

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

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

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

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

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

16. Borrowings

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Redeemable Non-Convertible Preference Shares (refer Note-i)	15,000.00	15,000.00
Redeemable Non-convertible Debentures (refer Note-ii)	5,000.00	5,000.00
Long term maturities of finance lease	-	2.63
Total	**20,000.00**	**20,002.63**

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

ii. During FY 2017-18, the debt of the Holding Company was restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans. The Holding Company is negotiating a similar settlement agreement with other lender(s), Pending negotiations no further adjustments have been made. [Refer Note no. 38 b(iv)]

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

16.1 Interest and repayment schedule for secured long term borrowings

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31-Mar-23			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	-	29,047.16	29,047.16	20,000.00	9%	20 structured quarterly instalments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Holding company
Term loans Facility 2 (secured)	-	37,035.10	37,035.10	30,000.00	9%	Repayable from the proceeds of sale of identified Non Core Assets over a period of five years commencing from FY 2018	• Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Holding Company • Pledge of shares held by promoters in Nitco Limited and six associate companies shares held by Nitco Ltd & Nitco Realities Pvt Ltd
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.	• Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Glamorous Properties Pvt Ltd & by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the Holding company
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2018).	• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Total (A)	**20,000.00**	**66,082.26**	**86,082.26**				
Term loans not assigned to JM Financial Assets Reconstruction Company							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	11.25%	32 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60	2,000.00	10.75%	24 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	
Vehicle Loans	-	2.63	2.63	203.00	3M LIBOR Plus 2.60 %	Equated monthly instalments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying Holding Company owned vehicles
Total (B)	**-**	**1,889.90**	**1,889.90**				
Grand TOTAL (A+B)	**20,000.00**	**67,972.16**	**87,972.16**				

(Rs. in Lakhs)

Type of loan	Loan outstanding as at 31.03.2022			Sanction amount	Rate of interest	Repayment terms	Security Guarantee
	Non-Current	Current	Total				
Term loans assigned to JM Financial Assets Reconstruction Company							
Term loans Facility 1 (secured)	-	26,098.59	26,098.59	20,000.00	9%	20 structured quarterly instalments commencing from FY 2019	• First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Holding Company
Term loans Facility 2 (secured)	-	33,089.16	33,089.16	30,000.00	9%	Repayable from the proceeds of sale of identified Non Core Assets over a period of five years commencing from FY 2018	• Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Holding Company • Pledge of shares held by promoters in Nitco Limited and six associate companies shares held by Nitco Ltd & Nitco Realities Pvt Ltd
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.	• Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Glamorous Properties Pvt Ltd & by Nitco Limited in New Vardhman Vitrified Pvt Ltd
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2018).	• Negative lien on Non-core Assets of the Holding Company • Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Total (A)	**20,000.00**	**59,187.75**	**79,187.75**				
Term loans not assigned to JM Financial Assets Reconstruction Company							
Loan from Financial institutions - Term Loan	-	1,666.67	1,666.67	2,000.00	11.25%	32 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	Pari passu first charge on the fixed assets of Alibaug plant. Further, secured by personal guarantee by promoters
Loan from Financial institutions - FITL	-	220.60	220.60	2,000.00	10.75%	24 structured quarterly instalments commencing from June 30, 2014 as prescribed in approved CDR package	
Vehicle Loans	2.63	14.91	17.54	203.00	3M LIBOR Plus 2.60 %	Equated monthly instalments as per specific repayment schedule predetermined in case of each vehicle loan	Secured against the hypothecation of underlying Holding Company owned vehicles
Total (B)	**2.63**	**1,902.18**	**1,904.81**				
Grand TOTAL (A+B)	**20,002.63**	**61,089.93**	**81,092.56**				

i. JM Financial Asset Reconstruction Company Limited (JMFARC) representing 98% of the Holding Company's debt has restructured the debt of the Holding Company on sustainable basis vide their sanction letter dated 23rd January 2018. Based on the agreement entered into with JMFARC the debts of the Holding Company have been reclassified. The Holding Company is negotiating a similar settlement agreement with the other lender(s).

ii. The default in repayment of dues to JMFARC (including interest) amounts to Rs. 66,082.26 lakhs (Previous Year Rs. 33,479 lakhs) [Refer Note no. 38 b(iv)]

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

17. Lease Liabilities

Non Current

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (refer Note 47)	106.40	33.93
Total	**106.40**	**33.93**

Current

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Lease Liabilities (refer note 47)	102.58	51.63
Total	**102.58**	**51.63**

18. Non Current Provisions

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	160.06	214.60
Total	**160.06**	**214.60**

19. Deferred tax liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (Net)	-	-
Total	**-**	**-**

No provision for Deferred Tax has been made in the books due to accumulated loss

20. Trade payables

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues of micro and small enterprises;	740.93	640.26
- total outstanding dues of creditors other than micro and small enterprises	15,181.35	13,644.61
Total	**15,922.28**	**14,284.87**

Trade Payable ageing schedule for the year ended as on 31st March 2023 and 31st March 2022

Particular		Outstanding for the following periods from the due date of payment					
		Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Outstanding due to MSME	(31st March 2023)	322.69	401.19	1.53	6.94	8.58	740.93
	(31st March 2022)	373.14	223.71	1.04	20.45	21.92	640.26
Others	(31st March 2023)	6,335.77	6,891.95	72.49	162.97	1,718.17	15,181.35
	(31st March 2022)	7,267.74	3,991.99	227.15	624.88	1,532.84	13,644.61
Total Trade Payable	(31st March 2023)	6,658.46	7,293.14	74.02	169.91	1,726.75	15,922.28
	(31st March 2022)	7,640.88	4,215.70	228.19	645.33	1,554.76	14,284.87

Notes:

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

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

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

This has been relied upon by the auditors.

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
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	740.93	640.26
- Interest due and unpaid on the above amount	31.24	21.50
Interest paid by the Group in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Interest due and payable for the period of delay	44.76	39.56
Interest accrued and remaining unpaid	133.23	88.47
Amount of further interest remaining due and payable	-	-

21. Other financial liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Loans & Advances from related parties	200.30	200.15
Deposits received	863.69	845.11
Loans & Advances	1,136.81	948.44
Amount payable to capital creditors	41.12	68.01
Interest accrued but not due on borrowings	98.23	21.92
Total	**2,340.15**	**2,083.63**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

22. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Other payable	6,917.08	5,862.83
Total	**6,917.08**	**5,862.83**

23. Current Provisions

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for Leave Encashment	61.02	58.68
Provision for Gratuity	164.67	278.84
Provision for Others	2.87	2.17
Total	**228.56**	**339.69**

24. Revenue from operations

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Products	38,026.61	40,539.08
	38,026.61	**40,539.08**
Other operating revenues		
Labour charges	226.48	303.81
Lease rental	5.82	5.74
Other Operating income	110.50	212.66
	342.80	**522.21**
Total	**38,369.41**	**41,061.29**

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. (Refer Note 36)

25. Other income

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Rent Received	23.59	13.39
Miscellaneous income	404.12	244.30
Profit on sale of PPE	0.57	463.85
Net gain/(loss) on foreign currency transactions	26.33	25.64
Total	**454.61**	**747.18**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

26. Cost of materials consumed

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	1,073.91	1,224.74
Add: Purchases	4,541.00	2,709.78
	5,614.91	**3,934.52**
Less: Inventory at the end of the year	1,466.02	1,073.91
Raw Material Consumed	**4,148.89**	**2,860.61**
Packing Material Consumed	81.85	99.63
Cost of materials Consumed	**4,230.74**	**2,960.24**

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

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Stock in Trade - Opening	830.12	1,053.25
Stock in Trade - Closing	585.99	830.12
	244.13	**223.13**
Finished Goods (Mfg.) - Opening	5,459.39	6,212.01
Finished Goods (Mfg.) - Closing	5,174.42	5,459.39
	284.97	**752.62**
Total Change in Inventories	**529.10**	**975.75**

28. Employee benefits expense

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	4,865.19	4,830.57
Contribution to provident and other funds (Refer Note 35a)	199.90	195.98
Gratuity (Refer Note 35 D)	66.17	85.49
Other Employee Costs	241.42	222.52
Total	**5,372.68**	**5,334.56**

29. Finance costs

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on debt and borrowings	7,238.32	6,354.18
Finance Cost on Lease Liability	22.43	15.68
Other financial charges	74.54	62.75
Total	**7,335.29**	**6,432.61**

JMFARC representing 98% of the Holding Company's debt has restructured the debt of the Company on sustainable basis. Based on the sanction received from JMFARC the debts of the Holding Company have been reclassified. The Holding Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation, no further adjustments have been made.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

30. Depreciation and amortisation expense

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	2,798.27	2,862.71
Amortisation of Intangible assets (refer note 4)	5.59	-
Depreciation on Right-of-use Assets	122.12	137.67
Total	**2,925.98**	**3,000.37**

31. Other expenses

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Other Manufacturing Expenses		
*Power and fuel	175.25	151.78
Consumption of stores and spare parts	316.90	243.89
	492.15	**395.67**
Repairs and Maintenance		
Buildings	1.33	0.38
Machinery	15.38	11.88
Others Repairs & Maintenance	182.44	170.12
	199.15	**182.38**
Rent Rates and Taxes	457.66	640.26
Electricity Charges	204.83	116.90
Processing Charges Mosaico/Marble	103.21	102.56
Water Charges	31.44	8.91
Postage and Telephone	128.68	114.82
Printing and Stationery	15.82	21.06
Insurance	53.69	52.29
Legal and Professional Fees	170.97	286.86
Travelling & Conveyance Expenses	755.70	601.11
Audit Fees	11.60	15.86
Bank Charges	-	0.23
Hire Charges	56.31	43.40
Security Charges	152.46	133.78
Applicable Net Gain/loss on foreign currency transactions and translations	-	-
Provision for Advance	-	247.02
Miscellaneous Expenses	256.30	378.56

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement & Sales Promotion Expenses	922.82	915.26
Freight Forwarding & Distribution Expenses	1,146.20	1,785.97
C&F Charges	42.40	73.18
Provision for Bad & Doubtful Loan	-	-
Provision for Doubtful Debts	695.94	667.96
Bad Debts	9.80	25.16
Total	**5,907.13**	**6,809.20**

* The Holding Company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2022-23, the Holding Company has sold power to MSEDCL amounting to Rs. 259.02 lakhs (previous year Rs. 255.03 lakhs). The power generated through windmills was sold to MSEDCL under 13 year Power Purchase Agreement which has expired on 22nd March 2019. Post expiry of initial Power Purchase Agreement, generation from windmill was sold to MSEDCL as prevailing rate (current year Rate Rs. 2.52 per Kwh).

32. Exceptional items

Exceptional items pertains to provision for litigation settlement amounting Rs. 1,585.34 Lakhs for the year ended 31st March, 2023

On 27th January, 2020, lockout was declared in tiles manufacturing unit situated at Alibaug. The Lockout at the Alibaug plant continues. The Management has reached a settlement with the Alibaug Union representing the 250 workmen of the plant. 240 workers have accepted the settlement agreement. Under the settlement agreement the workers have been offered a VRS scheme and paid Exgratia and an additional compensation of Rs. 1,496.01 Lakhs along with their legal dues and Gratuity. Accordingly the case filed by the Union in the labour court and conciliation meeting in the Labour Commissioner's office post the settlement agreement stands dismissed. The Holding Company has also offered Rs. 89.33 lakhs under settlement agreement to employees on a contractual basis at Alibaug Plant.

33. Earnings per share (EPS)

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/ (Loss) for the year (Rs.)	(15,125.05)	(12,614.15)
Equity shares at the beginning of the year (nos.)	7,18,58,955	7,18,58,955
Equity shares issued during the year	-	-
Equity shares at the end of the year (nos.)	7,18,58,955	7,18,58,955
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	7,18,58,955	7,18,58,955
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	7,18,58,955	7,18,58,955
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(21.05)	(17.55)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(21.05)	(17.55)

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

34. 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 Group

Aurella Estate & Investment Pvt. Ltd.
Mr. Vivek Talwar – Chairman & Managing Director
JM Financial Asset Reconstruction Company Ltd

Key Management Personnel (KMP)

Vivek Talwar – Chairman & Managing Director
Sharath Padmanabh Bolar *
Bharti Pradeep Dhar (upto September 21, 2022)
Siddharth Pradip Kothari (Upto July 14, 2021)
Vivek Grover - Nominee Director of JMFARC (upto September 20, 2022)
Rakesh Kashimpuria - Nominee Director of JMFARC (upto September 21, 2022)
Manish Puri (Upto September 10, 2022)
Prakash Iyer (Upto August 18, 2022)
Ajay Bakshi (w.e.f October 19, 2022)
Harsh Kedia (w.e.f November 11, 2022)
Poonam Talwar (w.e.f October 19, 2022)
Geeta Karira (w.e.f July 14, 2022)
Anjanikumar Sharma (w.e.f November 22, 2022)
Santosh Shet (w.e.f November 11, 2022)
Priyanka Agarwal (w.e.f November 11, 2022)
Chaandnee Wasan (w.e.f October 19, 2022)
Anikaa Pradip Wasan (w.e.f October 19, 2022)

*Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sudden demise

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

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 Natural Resources LLP
IB Hospitality Pvt. Ltd.
IBH Rome LLC
Watco Trading Pvt. Ltd.
Watco Engineering Pvt. Ltd.
Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd
Nitco Sales Corporation Delhi
Nitco Tiles Sales Corporation
Northern India Tiles Sales Corporation
Nitco Paints Pvt.Ltd.
Gem Manufacturing India Pvt Ltd
Unique Cera Tileware Pvt Ltd
Multistone Granito Pvt Ltd
Patidar Power Pvt Ltd
Vardhman Vitrified Pvt Ltd
Nilcity Plast Pvt Ltd

(B) Transactions with related parties:

Transactions	Year ended 31 March 2023					Year ended 31 March 2022				
	Subsidiaries	Entity having significant influence over the Group	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total	Subsidiaries	Entity having significant influence over the Group	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Total
Export Sales										
IBH Rome LLC	-	-	-	1.45	**1.45**	-	-	-	-	**-**
Other Expenses										
IB Hospitality Pvt Ltd	-	-	-	6.01	**6.01**	-	-	-	9.77	**9.77**
Directors Sitting Fees										
Rakesh Kashimpuria*	-	-	1.50	-	**1.50**	-	-	1.50	-	**1.50**
Manish Puri	-	-	2.10	-	**2.10**	-	-	1.15	-	**1.15**
Sharath Padmanabh Bolar	-	-	-	-	**-**	-	-	1.30	-	**1.30**
Bharti Pradeep Dhar	-	-	2.65	-	**2.65**	-	-	2.45	-	**2.45**
Siddharth Pradip Kothari	-	-	-	-	**-**	-	-	0.50	-	**0.50**
Vivek Grover*	-	-	1.50	-	**1.50**	-	-	1.50	-	**1.50**
Prakash Iyer	-	-	2.15	-	**2.15**	-	-	0.55		**0.55**
Ajay Bakshi	-	-	1.45	-	**1.45**	-	-	-	-	**-**
Santosh Shet	-	-	1.10	-	**1.10**	-	-	-	-	**-**
Harsh Kedia	-	-	1.35	-	**1.35**	-	-	-	-	**-**
Priyanka Agarwal	-	-	1.35	-	**1.35**	-	-	-	-	**-**
Poonam Talwar	-	-	1.05	-	**1.05**	-	-	-	-	**-**
Interest Expense										
JM Financial Asset Reconstruction Company Ltd	-	7,144.52	-	-	**7,144.52**	-	6,264.41	-	-	**6,264.41**
Managerial remuneration to Key Management Personnel										
Geeta Karira	-	-	9.45	-	**9.45**	-	-	-	-	**-**
Anjanikumar Sharma	-	-	32.83	-	**32.83**	-	-	-	-	**-**
Chaandnee Wasan	-	-	5.00	-	**5.00**	-	-	-	-	**-**
Anikaa Pradip Wasan	-	-	15.07	-	**15.07**	-	-	-	-	**-**

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

(C) Balances outstanding as at the year end

Transactions	Year ended 31 March 2023					Year ended 31 March 2022				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post employment benefit plan	Total
Amount Receivable/(Payable)										
Vivek Talwar	-	-	-	-	**-**	-	-	(10.50)	-	**(10.50)**
Enjoy Builders Private Limited	-	-	-	(2.25)	**(2.25)**	-	-	-	(2.25)	**(2.25)**
Eden Garden Builders Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Enjoy Builders Private Limited	-	-	-	205.00	**205.00**	-	-	-	205.00	**205.00**
Lavender Properties Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Prakalp Properties Private Limited	-	-	-	145.00	**145.00**	-	-	-	145.00	**145.00**
Rang Mandir Builders Private Limited	-	-	-	200.00	**200.00**	-	-	-	200.00	**200.00**
Usha Kiran Builders Private Limited	-	-	-	150.00	**150.00**	-	-	-	150.00	**150.00**
Nitco Tiles & Marble Industries (Andhra) Private Limited	-	-	-	1.00	**1.00**	-	-	-	1.00	**1.00**
Recondo Ltd	-	-	-	7.74	**7.74**	-	-	-	7.74	**7.74**
Poonam Talwar	-	-	9.19	-	**9.19**	-	-	9.19	-	**9.19**
Nitco Paints Private Limited	-	-	-	(191.50)	**(191.50)**	-	-	-	(191.50)	**(191.50)**
Eden Garden Builders Private Limited	-	-	-	(17.97)	**(17.97)**	-	-	-	(17.97)	**(17.97)**
Enjoy Builders Private Limited	-	-	-	(27.94)	**(27.94)**	-	-	-	(27.94)	**(27.94)**
Lavender Properties Private Limited	-	-	-	(21.75)	**(21.75)**	-	-	-	(21.75)	**(21.75)**
Prakalp Properties Private Limited	-	-	-	(20.13)	**(20.13)**	-	-	-	(20.13)	**(20.13)**
Rang Mandir Builders Private Limited	-	-	-	(28.85)	**(28.85)**	-	-	-	(28.85)	**(28.85)**
Usha Kiran Builders Private Limited	-	-	-	(21.57)	**(21.57)**	-	-	-	(21.57)	**(21.57)**
Saisha Natural Resources LLP	-	-	-	(225.51)	**(225.51)**	-	-	-	(225.51)	**(225.51)**
IB Hospitality Private Limited	-	-	-	(0.50)	**(0.50)**	-	-	-	-	**-**
Watco Trading Private Limited	-	-	-	(115.70)	**(115.70)**	-	-	-	(115.70)	**(115.70)**
Watco Engineering Private Limited	-	-	-	(23.40)	**(23.40)**	-	-	-	(23.40)	**(23.40)**
Nitco Sales Corporation Delhi	-	-	-	(0.02)	**(0.02)**	-	-	-	(0.02)	**(0.02)**
Nitco Tiles Sales Corporation	-	-	-	(0.23)	**(0.23)**	-	-	-	(0.23)	**(0.23)**
Northern India Tiles Sales Corporation	-	-	-	(1.73)	**(1.73)**	-	-	-	(1.73)	**(1.73)**
Ajay Bakshi	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Santosh Shet	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Harsh Kedia	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
Priyanka Agarwal	-	-	(0.05)	-	**(0.05)**	-	-	-	-	**-**
JM Financial Asset Reconstruction Company Ltd	-	(86,082.26)	-	-	**(86,082.26)**	-	(79,187.75)	-	-	**(79,187.75)**
Guarantee Received										
Promoter Group	86,082.26	-	-	-	**86,082.26**	79,187.75	-	-	-	**79,187.75**

As at 31st March, 2023 the shareholding of the company in New Vardhman Vitrified Private Limited (NVVPL) is 49%. The company has no influence over NVVPL or its KMP nor controls the composition of its Board

35 Employee benefit plans

a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Holding Company's contribution to the provident fund, superannuation fund and national pension scheme is Rs.199.90 Lakhs for the year ended 31st March 2023 (31st March 2022 Rs. 195.98 Lakhs) [Refer Note 28]

b) Defined benefit Plan

The Holding 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 Holding 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 Holding Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2023 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

A. Movements in present value of defined benefit obligation

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Defined benefit obligation at the beginning of the year	765.42	757.16
Current Service Cost	48.62	67.88
Interest Expense or Cost	48.19	46.53
Past Service Cost	-	-
Benefits paid	(329.80)	(67.85)
Actuarial (gain)/ loss	(82.87)	(38.29)
Defined benefit obligation at the end of the year	**449.56**	**765.42**

B. Movements in the fair value of plan assets

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Fair value of plan assets at the beginning of the year	486.59	470.49
Investment income	30.63	28.92
Contribution by employer	150.04	55.03
Benefits paid	(329.80)	(67.85)
Return on Plan Assets, excluding amount recognised in	(52.58)	
Expected Interest Income on plan assets	-	-
Fair value of plan assets at the end of the year	**284.89**	**486.59**

C. Amount recognized in the balance sheet

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Fair value of plan assets	449.56	765.42
Defined benefit obligation	284.89	486.58
Net Asset/ (Liability) recognised in the Balance Sheet	(164.67)	(278.84)
Effects of Asset Ceiling, if any	-	-
Amount recognised in the Balance Sheet	**(164.67)**	**(278.84)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

D. Amount recognised in Statement of Profit and Loss

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Current service cost	48.62	67.88
Past service cost	-	-
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	17.55	17.61
Amount recognised in Statement of Profit and Loss	**66.17**	**85.49**

E. Amount recognised in Other Comprehensive Income:

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Actuarial changes arising from changes in demographic assumptions	2.46	(0.13)
Actuarial changes arising from changes in financial assumptions	(19.44)	(5.72)
Experience adjustments	(65.90)	(32.44)
Return on plan assets, excluding amount recognized in net interest expense	52.58	-
Amount recognised in Other Comprehensive Income	**(30.30)**	**(38.29)**

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

	31-Mar-23	31-Mar-22
Investment Details	Funded	Funded
Funds managed by Insurer	**100%**	**100%**

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

	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.30%	6.30%
Salary growth rate (per annum)	6.00%	6.00%
Retirement age	60 for PI employees and 58 for rest of the employees	60 for PI employees and 58 for rest of the employees

H. A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Defined Benefit Obligation (Base)	449.56	765.42

(Rs. in Lakhs)

	31-Mar-23		31-Mar-22	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	465.67	434.53	802.81	731.21
(% change compared to base due to sensitivity)	3.60%	-3.30%	4.90%	-4.50%
Salary Growth Rate (- / + 1%)	434.85	469.50	731.43	801.77
(% change compared to base due to sensitivity)	-3.30%	3.40%	-4.40%	4.70%
Attrition Rate (- / + 50% of attrition rates)	442.89	451.28	765.03	763.80
(% change compared to base due to sensitivity)	-1.50%	0.40%	0.10%	-0.20%
Mortality Rate (- / + 10% of mortality rates)	449.52	449.59	765.40	765.45
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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

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

(Rs. in Lakhs)

	31-Mar-23	31-Mar-22
Within the next 12 months (next annual reporting period)	148.07	189.60
Between 2 and 5 years	256.18	377.68
Between 6 and 10 years	1,452.51	309.74
Beyond 10 years	49.80	192.31

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

The Group'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 Group 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 Group 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".

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

A. Business Segment:

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
1. Net sales / Income from operations		
- Tiles and other related products	38,161.08	40,861.52
- Real estate	208.32	199.77
Total Revenue	**38,369.41**	**41,061.29**
2. Segment results		
- Tiles and other related products	(8,049.99)	(6,777.82)
- Real estate	(193.58)	(150.70)
Total Segment Profit/(Loss) after Exceptional items - Gain/(Loss)	**(8,243.57)**	**(6,928.52)**
- Interest and other financial cost	7,335.29	6,432.61
- Other Income	454.61	747.18
Profit /(Loss) Before Tax	**(15,124.25)**	**(12,613.95)**
Provision for tax	0.80	0.20
Profit /(Loss) After Tax	**(15,125.05)**	**(12,614.15)**

Capital Employed

(Rs. in Lakhs)

	Segment Asset		Segment Liabilities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
- Tiles and other related products	58,514.22	63,816.70	29,633.84	26,748.04
- Real estate	22,835.49	22,876.18	572.87	544.45
- Unallocated/ Corporate	439.78	405.75	88,234.26	81,362.90
Total Capital Employed	**81,789.50**	**87,098.64**	**1,18,440.97**	**1,08,655.39**

B. Geographical Segment:

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

(Rs. in Lakhs)

	India		Rest of the world		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue	33,650.40	35,050.23	4,719.00	6,011.06	38,369.41	41,061.29
Carrying cost of Segment assets	81,789.50	87,098.64			81,789.50	87,098.65
Addition of fixed assets and tangible assets	29.64	138.75	-	-	29.64	138.76

37. Share based payments

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the shareholders of the Holding Company on 30th March, 2019. The scheme entitles employees of the Holding Company to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco limited Employee Stock Option Plan
Exercise Price	Rs. 39.55
Vesting conditions	2,78,000 options 12 months after the grant date ('First vesting')
	2,78,000 options 24 months after the grant date ('Second vesting')
	2,78,000 options 36 months after the grant date ('Third vesting')
	2,78,000 options 48 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 4 years from grant
Number of share options granted	No share options granted during FY: 2022-23
Method of settlement	Equity

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

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

Particulars	Number of options	Weighted average exercise price per option
At 1 April 2021	**4,62,000**	**39.55**
Granted during the year	-	-
Forfeited during the year	1,70,000	39.55
Exercised during the year	-	-
At 31 March 2022	**2,92,000**	**39.55**
Exercisable as at 31 March 2022	**1,46,000**	**39.55**
At 1 April 2022	**2,92,000**	**39.55**
Granted during the year	-	-
Forfeited during the year	80,000	39.55
Exercised during the year	-	-
At 31 March 2023	**2,12,000**	**39.55**
Exercisable as at 31 March 2023	1,59,000	39.55
Weighted average remaining contractual life (in years)	0.32	-

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

Grant Date	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 July 2023	11 March 2024
Fair value of option at grant date (In Rs.)	0.13	0.13	0.13
Exercise price (In Rs.)	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	0.32	0.32	0.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

38. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as 31 March 2023 are Rs.0.04 Lakhs (31 March 2022 - Rs. 42.25 Lakhs).

(b) Contingent Liabilities

(Rs. in Lakhs)

		As at March 31, 2023	As at March 31, 2022
a)	Bank Guarantee given by the Holding company	3,765.56	3,765.56
b)	Demands against the Holding Company not acknowledged as debts and not provided for against		
	i. Penalty levied by DGFT, Delhi (refer to note (ii) below)	16,980.00	16,980.00
	ii. Demand order for unearned income (refer to note (iii) below)	5,105.88	5,105.88
	iii. In respect of Value added tax, Service Tax, GST, Custom Duty and Income Tax Demands pending before various authorities and in dispute (Gross)	4,507.06	4,603.17
c)	Legal matters	337.27	241.69
d)	Estimated amount of interest on loan which is not provided in the books (refer note v below)	2,639.43	2,428.22

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly has agitated the matter before the appropriate forum. No provision has been made in the Accounts for the same.

iii. iii. Pursuant to scheme of amalgamation sanctioned by the Hon'ble Bombay High Court with Particle Board India Limited during 2011, a land parcel situated at Kanjur Marg, held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of Rs. 5,105.88 Lakhs in this regard. The company has filed a filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March,2018. However same is confirmed as interim relief by order dated 09th September, 2019

iv. In 2018, the Company had received sanction from JM Financial Asset Reconstruction Company Limited (""JMFARC"") for restructuring of Company's debt vide a Restructuring Agreement dated 27th March 2018 entered between the Company and JMFARC.

In accordance with the terms of the Restructuring agreement, the Company was obligated to ensure repayment of the Restructured Facilities, along with interest thereon in the manner specified in the Restructuring Agreement. Upon failure to ensure repayment of restructured facilities, JMFARC shall have an absolute right to revoke the reliefs and concessions granted in the Restructuring agreement. Accordingly, the debts and interest are stated at the restructured values.

The Company had committed default in ensuring the repayments of the restructuring facility. On 19 September 2022, JMFARC has revoked the restructuring of existing facilities (excluding the NCD and RPS facility) and the dues amounting to Rs. 2,42,762.93 Lakhs has been reinstated, however as per books of accounts the loans are not restated and the balance as at 31st March, 2023 is Rs. 66,082.26 Lakhs

The Company is in the process of negotiating with the JMFARC for the restructuring/extension of restructuring of its facilities. Pending negotiations, no further adjustment is made.

Further, Company has received an email on 15th November 2022 from JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014- Trust) - Financial Creditor w.r.t. filing of Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process. The application is numbered and the C.P. (I B) No. allotted is - C.P. (IB)/1308(MB)2022. The application is listed on the NCLT under cause list.

JMFARC also filed the CIRP against Corporate Guarantors namely Aurella Estate and Investments Pvt. Ltd (entity having significant influence over the Company), Nitco Realities Pvt. Ltd. (Subsidiary) and Megdoot Properties Pvt. Ltd., Feel Better Housing Pvt. Ltd., Maxwealth Properties Private Limited, Silver-Sky Real Estate Pvt. Ltd. (4 Step-down Subsidiaries).

The Company is taking appropriate legal advice and will take all appropriate steps to protect its interest in the aforesaid matter.

The Company has filed a reply with Hon'ble NCLT citing appropriate defence. The matter is listed for hearing on 07 June, 2023.

v. Restructuring of Company's debt (excluding debts of LIC) was approved by JMFARC on January 23, 2018. The Company is negotiating with LIC for restructuring of its facility (principal outstanding Rs. 1,887.26 Lakhs as on 31.03.2023 on terms similar to restructuring done by JMFARC. Pending negotiations with LIC, no further adjustments , especially the provision of interest amounting to Rs 2,639.43 Lakhs is not made.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

39. Capital Management

Capital of the Group, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group'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 Group monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(Rs. in Lakhs)

		As at March 31, 2023	As at March 31, 2022
Debt#	A	87,972.16	81,092.56
Cash & cash equivalent	B	1,122.89	1,244.00
Net Debt	C=(A-B)	86,849.28	79,848.56
Equity	D	(36,651.47)	(21,556.74)
Net Debt to Equity ratio *	E=(C/D)	-	-

Debt is defined as long term, short term borrowings and current maturities of long term debts and finance lease obligations as prescribed in note 16.1 and also includes interest accrued but not due on borrowings.

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

40. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 10)	1,122.89	1,122.89	1,244.00	1,244.00
Trade Receivables (Refer Note 9)	7,398.94	7,398.94	9,661.36	9,661.36
Loans (Refer Note 11)	2,028.53	2,028.53	2,023.00	2,023.00
Other Financial Assets (Refer Note 12)	60.67	60.67	36.84	36.84
Total	**10,611.03**	**10,611.03**	**12,965.20**	**12,965.20**
Financial assets at fair value through Statement of Profit and Loss at Cost	-	-	-	-
Investments	-	-	-	-
Financial liabilities at amortised cost:				
Trade Payables (Refer note 20)	15,922.28	15,922.28	14,284.87	14,284.87

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in Lakhs)

	March 31, 2023		March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other Financial Liabilities (Refer Note 21)	2,340.15	2,340.15	2,083.67	2,083.67
Borrowings (Refer Note 16 & 16.1)	87,972.16	87,972.16	81,092.56	81,092.56
Lease Liabilities (Refer Note 17)	208.97	208.97	85.56	85.56
Total	**1,06,443.56**	**1,06,443.56**	**97,546.66**	**97,546.66**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil

41. Financial risk management objectives

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

The Group'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 operations of the Group. The Group has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Group'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 Group does not have material revenue from overseas operations. However, the group makes imports of Raw material and capital goods. Further the Group 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 Group 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 Group's net assets attributable to holders of equity shares of future movements in foreign exchange rates. The above risks may affect the Group's income and expenses, or the value of its financial instruments. The objective of 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.

(Rs. in Lakhs)

	31-Mar-23		31-Mar-22	
	Foreign currency	Indian currency	Foreign currency	Indian currency
Foreign trade payables				
AED	1.01	18.41	1.01	21.52
USD	0.02	10.21	0.36	27.96
EUR	0.00	0.67	-	-
Borrowing	-	-	-	-
Foreign trade receivables				
EUR	-	-	0.58	48.04
AUD	0.00	0.07	-	-
USD	2.71	223.63	6.13	456.74

	% Change in foreign currency rate	Effect on profit /(Loss) before tax				Total
		USD	EUR	AED	AUD	
As at 31 March 2023	5%	10.67	(0.03)	(0.92)	0.00	9.72
	-5%	(10.67)	0.03	0.92	(0.00)	(9.72)
As at 31 March 2022	5%	21.48	2.40	(1.08)	-	22.80
	-5%	(21.48)	(2.40)	1.08	-	(22.80)

ii. Interest Rate Risk

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

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Fixed Rate Borrowings	87,972.16	81,092.56
Floating Rate Borrowings	-	-
Total Borrowing	**87,972.16**	**81,092.56**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit/(loss) before tax for the year ended March 31, 2023 would decrease/increase by NIL (for the year ended March 31, 2022: decrease/increase by NIL)

iii. Credit risk

The Group directly reduces the gross carrying amount of a financial asset when the Group 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 Group 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 Group 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 Group 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 Group is still pursuing the recovery for the receivable for which allowance made for bad and doubtful debts.

Ageing of current trade receivables (Note 9) considered by the Management for this purpose are as under:

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	925.11	1,841.61
Other trade receivables	6,473.84	7,819.75
	7,398.94	**9,661.36**

In addition the Group is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2023 on account of carrying amount of loans /advances /deposit, trade and other receivables and guarantees is disclosed in note 34 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 unrelated parties is minimised as the Group deals only with reputed parties.

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 Group's short, medium and long-term funding and liquidity management requirements. The Group 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 Group'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 Group can be required to pay:

(Rs. in Lakhs)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total
As at 31-Mar-23						
Borrowings		67,972.16	-		20,000.00	87,972.16
Trade payables	-	13,951.60	243.92	1,726.75	-	15,922.28
Other financial liabilities	863.69	1,476.46	-	-	-	2,340.15
Total	**863.69**	**83,400.23**	**243.92**	**1,726.75**	**20,000.00**	**1,06,234.59**
As at 31-Mar-22						
Borrowings		61,089.93	2.63		20,000.00	81,092.56
Trade payables	-	14,284.87	-	-	-	14,284.87
Other financial liabilities	845.11	1,238.56	-	-	-	2,083.67
Total	**845.11**	**76,613.36**	**2.63**	**-**	**20,000.00**	**97,461.10**

42. Details of significant changes in key financial ratios

Sr. no	Ratio Analysis	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance
1	Current Ratio	Current Assets	Current Liabilities	0.43	0.51	-15.4%
2	Debt Equity Ratio	Debt	Shareholder's Equity	(2.40)	(3.76)	-36.1%
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	(0.07)	(0.05)	37.3%
4	Return on Equity Ratio*	Profit for the period	Avg. Shareholders Equity	NA	NA	NA
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	4.69	2.99	57.2%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	4.50	2.76	62.8%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	2.78	3.08	-9.7%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(0.69)	(0.94)	-27.4%
9	Net Profit Ratio*	Net Profit	Net Sales	NA	NA	NA
10	Return on Capital employed*	EBIT	Capital Employed	NA	NA	NA

Current Ratio : Deterioration on account of current years accrued interest in borrowings

Debt Equity Ratio: Deterioration on account of accumulation of current year net loss in equity.

Debt Service Coverage Ratio: Deterioration on account of current years accrued interest in borrowings

Inventory Turnover Ratio: Improvement on account of inventory optimisation.

Trade Receivables Turnover Ratio: Improvement on account improved realisation from trade receivables.

Net Capital Turnover Ratio: Deterioration on account of increase in current maturity of long term debts.

* Not Applicable ("NA") as the group has incurred losses in current & previous financial year.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

43. Additional regulatory information required by Schedule III of Companies Act, 2013

I. Utilisation of Borrowed funds and share premium:

A) During the year the Group has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year the Group has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

B) The Group has not granted any loans or advances in the nature of loans repayable on demand during the year. However, the Group has given loan to Nitco Realties Private Limited ("NRPL") without specifying any terms or period of repayment in earlier years. The balance as at the year-end of such loan is as under:

(Rs. in Lakhs)

Description	Related parties
The aggregate amount of loans/ advances in nature of loans	-
loans/ advances in nature of loans (A)	-
The agreement does not specify any terms or period of repayment (B)	-
There is no agreement (C)	5,888
Total (A+B+C)	5,888
Percentage of loans/ advances in nature of loans to the total loans	100%

II. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

III. The Group has not been declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

IV. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

V. The Group has not recorded any transactions which are not in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

VI. The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

VII. The Group has not entered into any scheme of arrangement which has an accounting impact on current and previous year.

VIII. During the year no funds raised on short-term basis have been used for long-term purposes by the Group.

IX. The Group has complied with the number of layers prescribed under the Companies Act, 2013

X. There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

44. Balance confirmation

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

45. Immovable property not held in the name of Group

(Rs. In Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Property, Plant and Equipment	Leasehold land at Thane	278.38	Mahalakshmi Tiles and Marble Company Pvt. Ltd.	Company controlled by the relatives of Promoter	31-12-2005	Mahalakshmi Tiles and Marble Company Pvt. Ltd. is merged with Nitco tiles Ltd (Holding Company)
Property, Plant and Equipment	Land At Alibaug	0.31	Vilas Kalan & Others	No	25-02-1995	
Property, Plant and Equipment	Land At Alibaug	4.89	Dattatrey Patil & Others	No	28-02-1995	
Property, Plant and Equipment	Land At Alibaug	1.99	Vithal Padu Patil	No	24-11-1995	
Property, Plant and Equipment	Land At Alibaug	3.58	Balaram S Mhatre	No	15-12-1995	Registration of Agreement is under process
Property, Plant and Equipment	Land At Alibaug	2.40	Madhukar Patil	No	12-06-1995	
Property, Plant and Equipment	Land At Alibaug	2.36	Parshuram Posha Patil & Others	No	03-03-1995	
Property, Plant and Equipment	Land At Alibaug	0.32	Namdev Patil & Others	No	03-03-1995	
Inventories – Real Estate	Land At Kanjur Marg	15,000.00	Particle Boards India Limited	No	08-07-2011	Particle Boards India Limited is merged with Nitco Ltd (Holding Company) [Refer note no. 38 (b) (iii)]
Inventories – Real Estate	Lonare	968.83	Vivek Talwar	Yes	2006	Being Agricultural lands, the same is held by the promoter on behalf of the group
Inventories – Real Estate	New Tulsiwadi	423.20	Vivek Talwar	Yes	2006 Onwards	Being Agricultural lands, the same is held by the promoter on behalf of the group

46. Balances outstanding along with Nature of transaction with struck off companies as per section 248 of the Companies Act, 2013

(Rs. In Lakhs)

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance outstanding as at 31/03/23	Relationship with the Struck off Company if any
BASSAN ENGINEERING CONST. P. L.	Trade payables	(0.22)	Not Applicable
BLUE OCEAN SHIPPING AGENCIES (I)	Other Advances	1.05	Not Applicable
Mayash Space Designs Pvt. Ltd.	Trade Receivables	137.22	Not Applicable
Maruthi Granito India Pvt Ltd	Trade payables	(0.39)	Not Applicable
SEALINKERS Pvt. Ltd.	Trade payables	(0.28)	Not Applicable
SUNIL TRADING CO.	Other Payables	(0.01)	Not Applicable
Valaya Homes Pvt. Ltd	Trade Receivables	18.55	Not Applicable
APS INTERIORS PRIVATE LIMITED	Other Payables	(0.03)	Not Applicable
CONCEPT CERAMIC PVT LTD	Trade Receivables	9.87	Not Applicable
AGAPE ADVERTISING PRIVATE LIMITED	Trade payables	(5.48)	Not Applicable

Note: The above list is based on the information available with the Group.

47. Lease

I. As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2023.

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

(c) Practical expedients applied :

Group has used the practical expedients permitted by the standard:

* applying a single discount rate to a portfolio of leases with reasonably similar characteristics

* accounting for operating leases with a remaining lease term of less than 12 months or with minimal rent payments as short-term leases

* In case of Leases which are having no lock in period or lease are cancellable with short notice by either party or lessee are not treated as lease for the purpose of IND AS 116.

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% pa with maturity between 2019-25.

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	3	2 to 3 Years
Office	1	5 to 6 years

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(f) Lease payments not recognised as lease liabilities:

(Rs. In Lakhs)

	Year ended at 31-Mar-23	Year ended at 31-Mar-22
Expenses relating to short term leases (included in other expenses)	-	15.97
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	228.34	175.41
Total	**228.34**	**191.38**

(g) The total cash outflow for leases for the year ended 31 March 2023 was Rs 145.78 lakhs (previous year Rs. 162.37 lakhs)

(Rs. In Lakhs)

Minimum lease payments due	As at 31-Mar-23	As at 31-Mar-22
Not later than one year	44.43	57.41
Later than one year and not later than five years	9.20	36.80
Later than five years	-	-

II. As a Lessor

(Rs. In Lakhs)

	As at 31-Mar-23	As at 31-Mar-22
a) Amounts recognized in statement of profit and loss	23.59	13.39
Operating Lease Income	**23.59**	**13.39**

48. Contract with GAIL (India) Limited

The Holding Company as a buyer entered into a Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where the seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of the above agreement, the Holding Company must pay for the quantity not taken/consumed as per the Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if the lockout continues for at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performing its obligations under this agreement, except those specifically provided herein. The Holding Company has received a waiver letter for the period ending December 2022 exempting the Take or Pay claim. Accordingly based on the provisions of the Force Majeure clause and waiver letter, the Holding Company does not expect any cash outflow

49. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 30th May, 2023

50. The previous year figures are regrouped/ restated/ reclassified/ rearranged, wherever necessary, to make them comparable.

In terms of our report of even date annexed

For and on behalf of the Board

For M M Nissim & Co. LLP
Chartered Accountants
FRN No. 107122W/W100672

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Poonam Talwar
Director
(DIN: 00043300)

N. Kashinath
Partner
Membership No.: 036490

Geeta Karira
Company Secretary

Place : Mumbai
Dated : 30th May, 2023

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