NITCO
TILES MARBLE MOSAICO

September 8, 2022

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 – 400051. **Script code: NITCO**

Dear Sir/Madam,

Sub: Annual Report for year ended March 31, 2022 along with Notice of 56th Annual General Meeting

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 56th Annual Report for the year ended March 31, 2022 along with the Notice of the 56th Annual General Meeting.

We request you to take the same on your records & oblige.

Thanking you,
Yours faithfully,

For **NITCO LIMITED**

NITCO LIMITED MUMBAI

Geeta Karira
Company Secretary & Compliance Officer

TÜV NORD ISO 9001

NITCO

TILES MARBLE MOSAICO

ANNUAL REPORT

2022

What's Inside...

Corporate Information

Board of Directors

Mr. Vivek Talwar - Chairman & Managing Director
Mrs. Bharti Dhar - Independent Director
Mr. Manish Puri - Independent Director
Mr. Vivek Grover - Nominee Director*
Mr. Rakesh Kashimpuria - Nominee Director*
***Nominee of JM Financial Asset Reconstruction Company Limited**

Chief Financial Officer
Mr. Shirish Suvagia

Company Secretary and Compliance Officer
Ms. Geeta Karira

Statutory Auditor
M/s. Nayak & Rane,
Chartered Accountants

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 6752 1555
Fax: 022 6752 1500
E-mail: investorgrievances@nitco.in
Website: www.nitco.in

Works
Marble Division
Survey No 176, Village Silli,
Silvassa – 396 230

NITCO

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

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

Pan India and beyond
Our pan-India presence is facilitated through 15 offices. Our strong distribution network comprises more than 380 active direct dealers. We export tiles across globe and source the best quality of marble from over 40 countries.

Our key strengths
NITCO Group has a wide spread and well established network of 380 active direct dealers and 1800 active sub dealers spread over. The company also owns 9 exclusive display centres under the brand name 'Le Studio' as well as 143 franchisee stores across India and Nepal, known as 'Le Studio Express' (LSE), 'NITCO Look' and ‘NITCO Galore'.

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

World Class Technology

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

International Expertise

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

Design Partner

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

Business model

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

Brand 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...
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 are already loving it... we are sure customers would also love them...

1. Induction & Marble Training Program :

The company had organised an induction & training programme for the Business Development Executives to enhance their product knowledge to get an idea of the insights of the Silvassa plant. Also to familiarise them with organisation mission, rules & regulations and the working condition.

2. Dialogue Event, 2021 :

Dialogues is a special forum for fostering collaboration between architects, interior designers, and businesses that develop innovative goods and procedures for the construction and interior design sectors. The carefully picked invited companies and main architects & designers of the top design firms in India have access to & knowledge of over 900 million sq ft of new projects through this unique event, which is the only one of its kind in India. The two-day conference Dialogues is composed of brief design presentations by Indian design industry experts, one-on-one discussions between top architects and product company owners, and keynote speeches by foreign designers.

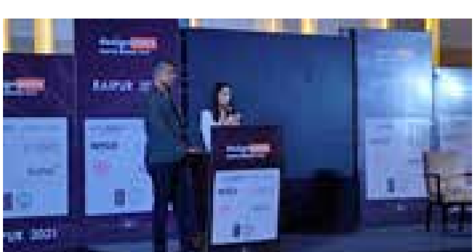
3. Coverings 2021, Orlando, USA

We participated at Coverings 2021, the major trade exhibition for the ceramic tile and natural stone sectors in North America, in July. At our stand, visitors could see handcrafted tiles, exotic marble, waterjet mosaics, curated hardwood plank, porcelain mosaic, subway, encaustic, large slabs, and full-body countertops made of quartz and porcelain. Our selection of products, which included sizable slabs of exotic stones as blue Monet, porcelain kitchen slabs, and a stunning mix and match of Carrara marble, impressed visitors to our display.

4. Cersaie 2021

At CERSAIE 2021, the biggest exhibition of ceramic tiles and bathroom furnishings in the world, NITCO enjoyed a resounding success. In September 2021, we displayed our high-end tiles, which were influenced by rare natural marbles like sodalite, amazonite, Volga silver, and gold Grigio Monet, as well as a distinctive selection of hand-made tiles, encaustics, and press porcelain mosaics. Our exhibit and collection received a lot of attention throughout the global event, which led to numerous productive leads.

5. Designworx, Raipur



NITCO Ltd. was pleased to co-sponsor DesignWorX, India's premier design-led conference celebrating architecture, urban planning, and interior design, on October 22nd in Raipur. We met with leading architects and industry experts to discuss NITCO's design-driven approach to their products.

6. Dialogue Event, 2022 :

NITCO partnered with award-winning architect Sanjay Puri to co-sponsor the 10th Edition of this top design event. Dialogues, which brought together more than 40 of the industry's top designers and architects, paved the path for new collaborations and synergies. We were able to showcase our product line to some of India's greatest architects. Over the course of three days, our business team met with the architects individually to confirm existing business partnerships and establish new ones.

7. Road Show:

Business development team of NITCO takes the products to architects' door step by organising road shows in various cities. This allows architects to actually understand the colours, texture, and feel of all the newly launched products. This also allows NITCO to get its products specified in new projects.

8. Architect Group Presentation:

We had many online and offline presentations, depending on the architects' availability. The presentation included information such as a marble processing equipment, the benefits of cut-to-size marble, a wide range of mosaic and inlay work, and many types of tiles, both imported and Indian. Project tales and photographs are also addressed. At the end of the presentation, feedback was collected and questions were answered.

9. Wine & Cheese Party with Architects:

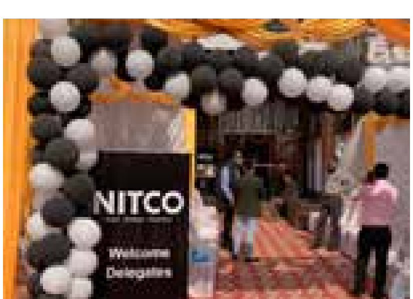
We invited architects from Mumbai and Pune as a prelude to the Salone del Mobile Milano 60th Edition. We hosted a GALA dinner and had a lively discussion with the architects in attendance.

10. Incentive Scheme for Value Added Products:

We have implemented incentive systems for value-added items in order to enhance sales numbers and to push our premium products such as mosaic, marbles, window sales, and Made in Italy into the market via our Business Development team. This will encourage the Business Development team to go the extra mile and be awarded with additional incentives, which will inspire them to perform better and work harder.

11. Store Openings

The NITCO Team has established new outlets across the world, including INDIA. The projects section has on boarded and launched 39 franchise showrooms. Three new showrooms have opened outside INDIA as well.



NITCO LIMITED

CIN: L26920MH1966PLC016547
Registered Office: Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400 042
Tel: +91 22 6752 1555 / Fax: +91 22 6752 1500
Email: investorgrievances@nitco.in / Website: www.nitco.in

NOTICE

Notice is hereby given that the **56th Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Friday, September 30, 2022 at 11:00 A.M. (IST)**, through Video Conferencing (VC) /Other Audio Visual means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:
   a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 together with 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, 2022, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself, for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of M M Nissim & Co LLP - Chartered Accountants (FRN: 107122W / W100672) as the Statutory Auditors of the Company**.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, other applicable rules, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M M Nissim & Co LLP - Chartered Accountants (FRN: 107122W / W100672) be and are hereby appointed as the Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of this (fifty-sixth) 56th Annual General Meeting till the conclusion of (sixty-first) 61st Annual General Meeting of the Company to be held in the year 2027 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

   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."

4. **Ratification of Remuneration payable to Cost Auditor**

   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 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus GST and re-imbursement of out of pocket expenses, payable to R. K. Bhandari & Co., Cost Accountants (Firm Registration No. 101435 / Membership No. 10682), who has been appointed by the Board of Directors as the Cost Auditor to conduct audit of cost records of the Company for the Financial Year ending March 31, 2023, 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 8, 2022
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 56th Annual General Meeting ("AGM"), is annexed hereto.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and17/2020 dated April 8, 2020 and April 13,2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. 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 pursuant to the MCA Circulars 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.

4. Institutional shareholders/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. The said Resolution/Authorization shall be sent to the Company and Scrutinizer by e-mail on its registered e-mail address to 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 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. 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.

10. 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 Friday, September 23, 2022 through email on investorgrievances@nitco.in. The same will be replied by the Company suitably.

11. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Integrated Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Integrated Annual Report 2021-22 will also be available on the Company's website https://www.nitco.in/corporate/investors/PDFFiles/Annual-Report-2021-22.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.

12. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.

13. 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 under Section 189 of the Act and all documents referred to in the Notice will be available for inspection in electronic mode.

14. The Company has appointed Mr. Ankit Sethi (Proprietor of Ankit Sethi & Associates), Practising Company Secretary, as scrutinizer to scrutinize the process for 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.

15. **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 (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue e-voting on the date of the AGM will be provided by NSDL.

    C. The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 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. Friday, September 23, 2022 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 Friday, September 23, 2022.

    D. **How do I vote electronically using NSDL e-Voting system?**

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

Step 1: Access to NSDL e-Voting system

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

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.

Login method for Individual shareholders holding securities in demat mode is given below:

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 Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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 user 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 toll free no.: 1800 1020 990 and 1800 22 44 30 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 an 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 56th 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 Friday, September 23, 2022:

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 56th 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

The Members at the 51st Annual General Meeting ("AGM") of the Company held on September 20, 2017, had approved the appointment of M/s. Nayak & Rane, Chartered Accountants (Firm Registration No.: 117249W) as Statutory Auditors of the Company, to hold office for a term of 5 years from the conclusion of the 51st AGM till the conclusion of the 56th AGM. Accordingly, the term of M/s. Nayak & Rane is up to 56th AGM. M/s. Nayak & Rane expressed their unwillingness to get re-appointed for next term of five years.

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions and after evaluating and considering industry experience, competency of the audit team, efficiency in conduct of audit, independence and other credentials, the Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting has proposed the appointment of M M Nissim & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of 56th AGM till the conclusion of 61st AGM of the Company.

M M Nissim & Co LLP, experienced Chartered Accountants engaged in Statutory Audit, Internal Audit, Internal Financial Control reviews, Tax Advisory and other related services, is registered with the Institute of Chartered Accountants of India (Firm Registration No. 107122W / W100672). They have the required competent team of professionals and infrastructure for providing the required services.

M M Nissim & Co LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The resolution contained in Item no. 3 of the accompanying Notice, accordingly, seek members' approval for appointment of M M Nissim & Co LLP - Chartered Accountants as Statutory Auditors of the Company.

Item No. 4

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 26, 2022, on recommendation of the Audit Committee, approved the appointment of R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435 / Membership No. 10682) as the Cost Auditors of the Company for the Financial Year 2022-23 at fees of Rs. 50,000/- (Rupees Fifty Thousand Only) plus GST and out of pocket expenses and, as applicable for conducting the audit of the cost accounting records of the Company.

The resolution contained in Item no. 4 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the Financial Year 2022-23.

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. 4 of the Notice.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 4 of accompanying Notice for the approval of the Members.

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. Vivek Talwar
DIN	00043180
Date of Birth and Age	October 9, 1956 (65 years)
Date of Appointment	Appointed on the Board as a Director since 1980.
Expertise in specific functional areas	He has a rich experience of over 40 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 56th 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, 2022.

Financial Results

The highlights of the financial results for the year ended March 31, 2022 are as follows:

(Rs. in Crore)

For the year ended March 31, 2022	Standalone		Consolidated	
	2022	2021	2022	2021
Total Revenue	**416.12**	**327.67**	**418.08**	**330.08**
Profit /(Loss) before interest, depreciation and tax	**(31.54)**	**(36.99)**	**(31.81)**	**(45.55)**
Interest & Financial Charges (Net)	64.33	53.62	64.33	53.62
Depreciation	30.00	30.75	30.00	30.75
Exceptional Items (Loss)	-	-	-	-
Profit/(loss) from Continuing Operations before tax	**(125.87)**	**(121.36)**	**(126.14)**	**(129.92)**
Provision for tax including taxes for earlier years	-	3.77	-	3.77
Net Profit/(loss) from Continuing Operations before tax	**(125.87)**	**(125.13)**	**(126.14)**	**(133.68)**
Net Profit/(loss) from Discontinuing Operations	**-**	**-**	**-**	**(6.26)**
Profit/(loss) after tax	**(125.87)**	**(125.13)**	**(126.14)**	**(139.94)**

Review of Operation

During FY 2021-22, your Company was able to achieve consolidated revenue of Rs. 418.08 Crore. The revenue increased by 26.67% over last year. The Company is enjoying strong brand equity in the market. Consolidated EBITDA loss was Rs. (31.81) Crore in FY 2021-22.

Share Capital

The paid up Equity Share Capital as at March 31, 2022 stood at Rs. 71.86 Crore. There was no change in the share capital during the year under review.

Transfer to Reserves

The Company has not transferred any amount to the Reserves for the year ended March 31, 2022.

Employee Stock Option Plan (ESOP)

With a view to motivate, attract and retain key employees of the Company, the Company had 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 (SBEB Regulations). The Disclosure pertaining to ESOPs required to be made under the Companies Act, 2013 ("the Act") and the rules made thereunder and the SBEB Regulations are provided on the website of the Company at https://www.nitco.in/corporate/investors/esop.

Borrowing

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

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 restructuring done by JMFARC. Pending negotiations with LIC, no further adjustments in respect of LIC facility has been made.

There was default in repayment of term loan installments fallen due and payment of interest together aggregating Rs. 353.65 Crore as on March 31, 2022.

Divestment in Joint Venture Company

The Company is in the process of selling the entire stake in New Vardhman Vitrified Pvt. Ltd. (NVVPL). The Company has received the advance consideration amount towards the said divestment, however transfer of shares of NVVPL could not be completed due to non-receipt of no objection certificate from one of the lenders of the Company. As on March 31, 2022 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.

Note: With regards to NVVPL, We have sold our stake and the money against the same has been received. But the NVVPL shares that were in the name of NITCO Ltd., have not been handed over to the buyer, pending NOC from LIC.

Subsidiary Companies and Consolidated Financial Statements

In accordance with the Act, and Accounting Standard (AS-21) on consolidated financial Statement, 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.

Credit Rating

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

Dividend

Board does not recommend any dividend for the Financial Year ended March 31, 2022.

Material Changes

Lockout at Tiles manufacturing unit at Alibaug

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

Impact of COVID 19 pandemic

Once again the Indian economy demonstrated its resilience after the re-occurrence of pandemic outbreak, which clearly caused obstruction to the vigorous recovery momentum.

The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general.

The second wave of the pandemic adversely impacted the overall performance of the Company. Partial/full lockdown imposed by states added to the complexity of the business.

Operations in many states/union territories were disrupted during F.Y. 2021-22. Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial results. As per the current assessment, other than the impairment recorded, no significant impact on carrying amounts of assets is expected, and management continue to monitor changes in future economic conditions. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The eventual outcome of the impact of the COVID 19 pandemic on the Company's business may be different from that estimated as on the date of approval of these financial results.

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

Material Developments

Induction & Marble Training Program

The Company had organised an induction & training programme for the Business Development Executives to enhance their product knowledge to get an idea of the insights of the Silvassa plant. Participants were also familiarised with organisation mission, rules & regulations and the working conditions.

Dialogue Event: March'2022

Dialogues is a unique platform to create a synergy between architects, interior designers & companies who create interesting products & processes for the building and interior industries.

This exclusive event is the only one of kind in India giving access & knowledge of over 900 million sq. ft. of new projects in India to the carefully chosen invited companies & selected principal architects & designers of the leading design firms in India.

Brief design presentation by the leaders of the design fraternity in India, one to one meetings between the leading architects & owners of the product companies along with the key note presentations by the international designers forms the 2 day conference Dialogues.

Road Shows

Road Shows were conducted by Business Development Team to get awareness about the products in the market and also make architects aware about the texture, touch & feel of the Company's products.

Nitco provides random faces within each product in Road Shows when the product is laid all the variation are same.

Architect Group Presentation

Architect Group Presentation was Conducted in online or offline mode. The presentation consists of the details such as marble processing unit, cut to size marble benefit, the vast variety of mosaic & inlay work & different types of tiles both imported as well as Indian. Completed project stories & images are also discussed. Feedback is taken & doubts are cleared at the end of the presentation.

Wine & Cheese Party with Architects

It was a prelude to Salune del Mobile Milano 60th Edition and your Company had invited architects from Mumbai & Pune region. We had organized a GALA dinner and had a good interactive session with the architects present.

Incentive Scheme for Value Added Products

We have introduced incentive schemes for value added products to boost up the sales figures as well as to push our premium products such as mosaic, marbles, window sales & Made in Italy into the market through Business Development team. Also to motivate the Business Development team to give their extra effort & get rewarded with add on incentives which will drive them to perform better and work harder.

Newly opened Franchise Showrooms and Dealer Showrooms

New Store opened by NITCO Team across the Globe & INDIA. A total of 39 dealers have been on boarded and inaugurated with the instore elements spearheaded by the projects division. Three stores have been inaugurated overseas.

Zone	Inauguration
East	13
West	8
South	5
NZ1	6
NZ2	7
Export	3

New Product launch

In line with global fashion trends, NITCO e-launched an industry-first premium collection "GIBRALTOR" comprising 11 pastel shades of "Pop Up" colours (600 cm X1200 cm) across its dealerships on December 9, 2021. The full body matte porcelain Technical Tiles are suitable for floor as well as wall applications, and have been highly appreciated in the architect community.

NITCO has also launched 5 new designs (600mm X 600mm) under its Full Body Vitrified portfolio for the retail segment. These comprise 4 "Salt and Pepper" designs and 1 Solid Kota Stone type colour. These products are popular in the commercial segment, including offices, shops, malls, airports, hospitals, hotels, educational institutes etc.

Apart from these innovative and technical tiles, Nitco also launched 16 new designs in a new segment of 400mm X400mm Exterior Floor Tiles under brand Kratos. This was a completely new size introduction in this category for Nitco and it has received very good response for the same in the market. Along with these, Nitco also refreshed the portfolio of 300X300 Exterior Floor tiles with 12 new designs. These span the new trends in exterior floor design and complete the colour palette with Beige, Brown, Grey tonalities.

Nitco also refreshed its Ceramic Wall portfolio with 79 new SKUs. These aim to balance the colour pallete while also bringing much needed refresh after COVID led slowdown. These new concepts span the marble designs, stone look a likes, floral patterns and wooden textures. Some of the designs like Sync series has a Run Through Design philosophy (same design and colour in base as well as decor).

The new launches will be available at over 500 franchisees, dealerships and retail outlets across the country, and are expected to drive volumes of NITCO products.

EXHIBITIONS

NITCO had participated in the following exhibitions this year:

Cersaie 2021 – The International Exhibition of Ceramic Tile and Bathroom Furnishings takes place in Italy every year. It is a 5 day event in which leading companies from all over the world present a preview of the trends in surfaces, bathroom furnishings and finishes for architectural design. This exhibition is dedicated to professionals from the world of design, contractors and retailers to discover the new trends, keep up to date and create new business relationships in an environment full of stimuli.

Covering 2022 - Coverings is the largest and most-significant ceramic tile and natural stone conference and exhibition in the United States and North America. It features exhibitors from more than 30 countries and is the stage for introducing some of the most innovative tile and stone products in the world.

The exposition and conference serve as a valuable and complimentary continuing education resource for all segments of the industry, with dozens of educational opportunities throughout the show. Coverings attracts thousands of distributors, retailers, fabricators, contractors, specifiers, architectural and design professionals, builders, real estate developers, as well as journalists, reporters and bloggers who cover the vital tile and stone industry.

These exhibition show commands respect and serve as the best source for new design trends and customer preferences.Both of which are known to attract industry professionals every year to the global tile & stone experience.

NITCO is the brand supplier of one of the leading International stores and has secured this business on the strength of its design and quality.

Initiatives undertaken in Marble Division

During the year 2021-22 the Company has sponsored some of key architect events like Dialogues and also hosted architects events viz: Brunch by the Sea for Key influencers and decision makers. This helped start business with some of prestigious architect & interior designer firms like DSP architects, Sanjay Puri architects, Nina Puri Architects, Ar.Sunil Jasani all of whom does very high end interior projects (Cumulative value of all this projects will in Crores). This included projects pan India in location like- Rajasthan, Gujarat, JW Marriott project Bengaluru. This not only helped in realizing the focus of the Company towards retail sector but also increased Company's topline along-with approx. 30% value growth in turnover.

Initiatives undertaken in Tiles Division

1) **Design Catalogues**

   Catalogues are important marketing collateral which NITCO's sales and other teams present to the clients. It talks about NITCO's design philosophy, inspiration for products, and range of products available. All NITCO catalogues are carefully created and designed, keeping in mind its brand guidelines and product offerings. It not only provides design information but also provides technical information. The QR codes on catalogues helps users download the catalogues from the website. All these catalogues are available on the website to download for free.

2) **Buying Guides**

   Buying guides are resourceful information curated by NITCO in order to facilitate the understanding on How one should purchase the Tiles, what must be considered before buying it. As choosing the right Tile for your home, office or other premises can be tough, Tile Buying Guide offers advice on how to buy the perfect tile. Also, it provides details to the B2B segment on Technical training, site management, quality marking process, laying installation instructions, and Do's & Don't summary.

3) Website Revamp including Visualizer

The current website www.nitco.in is technically superior and Google SEO compatible, developed and improved keeping in mind the brands digital presence and competition on digital spaces. The website hosts all active product portfolios of Tiles, Marble and Mosaic. Website is informative as well as resourceful as it gives the visitor ideas about tiles, marble and design aspects with its Blog section and design ideas. The visualizer is another tool that helps website visitors to visualize the product in different spaces. The overall experience on the website helps in engagement with the brand, further leads to enquiry generations.

4) Dialogues 2021

NITCO partnered with award-winning architect Sanjay Puri to co-sponsor the 9th Edition of this top design event. Dialogues, which brought together more than 40 of the industry's top designers and architects, paved the path for new collaborations and synergies. We were able to show off our product line to some of India's greatest architects. Over the course of three days, our business team met with the architects individually to confirm existing business partnerships and establish new ones.

5) CERSAIE 2021

NITCO had a spectacular success at CERSAIE 2021, the world's largest exposition of ceramic tiles and bathroom furniture. In September 2021, we showcased our luxury tiles inspired by exotic natural marbles such as amazonite, Volga silver, Grigio Monet gold, and sodalite, as well as a unique assortment of handcrafted tiles, encaustics, and press porcelain mosaics. During the worldwide event, our show and collection drew a lot of attention, resulting in several successful leads.

6) DESIGNWORX, Raipur

On the 22nd of October, NITCO Limited was pleased to co-sponsor DesignWorX, India's foremost design-led conference celebrating architecture, urban planning, and interior design, in Raipur. We had the opportunity to meet with top architects and industry leaders to discuss NITCO's design-driven approach to their goods.

7) COVERINGS 2021, Orlando

In July, we attended Coverings 2021, the premier show for the ceramic tile and natural stone industries in North America. Handcrafted Tiles, exotic marble, waterjet mosaics, curated hardwood plank, porcelain mosaic, subway, encaustic, big slabs, full body counters in porcelain and Quartz were all on display at our booth.

Our choice of items wowed visitors to our stand, which included enormous slabs of unusual stones like blue Monet, porcelain kitchen slabs, and an elegant mix and match of Carrara marble.

Cost Reduction Programme

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

Export Business

NITCO Export is spread across an ever-growing network of more than 40 countries from North America, South America, Europe, Asia, Africa, CIS and Australia.

This year Ceramic Industry has had the most number of challenges from increase in gas prices, ETS Carbon pricing, depleted Clay & Kaolin reserves to the Russia Ukraine war.

However NITCO is proud of the resilience of the business in the face of a Ravaging War, increase in gas & raw material prices. Our export business continues to remains constant, even after facing these difficulties.

Awareness Initiatives

In 2021-22, focus was given on creating awareness about NITCO product differentiators in the minds of influencers as well as users. More than 200 such activities were carried out where NITCO employees went to the influencers / users and explained to them about advantages of using NITCO products. Influencers consist of dealers, contractors, dealer sales men, architects, builders who influence the decision on buying tiles. NITCO employees reached out to them and explained them about new products, their features, attributes and benefits.

Even users, who are masons actually using tiles, were made aware of correct installation techniques, storage guidelines which will help in reducing / eliminating complaints related to wrong practices. Company's technical team believes in training the employees on technical superiority of NITCO Tiles. Almost 100 induction programs were conducted across India to upgrade knowledge of the sales team.

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 covers all areas of business. The Internal Auditor 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, 2022 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed with proper explanation relating to material departures, if any;

b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the loss of the Company for the year ended March 31, 2022;

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

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

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

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

Changes in the Board and Key Managerial Personnel

Directors

Appointments during the Year

Mr. Manish Puri was appointed on the Board of Nitco Limited as a Non- Executive-Independent Director w.e.f. August 07, 2021.

Mr. Prakash Iyer was appointed on December 31, 2021 as an Additional Non- Executive-Independent Director on the Board of Nitco Limited.

Resignations during the Year

Mr. Siddharth Kothari - Non- Executive-Independent Director's term expired on July 14, 2021. Accordingly, he ceased to be a Non-Executive-Independent Director of the Compnay w.e.f. July 14, 2021.

Due to untimely demise of Mr. Sharath Bolar - Non- Executive-Independent Director of the Company, he ceased to be Non-Executive-Independent Director of the Company w.e.f. October 18, 2021.

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.

Key Managerial Personnel

Mr. Ramesh Iyer - Chief Financial Officer (KMP) had resigned from the Company and was relieved from his duties as a CFO w.e.f. close of business hours on October 16, 2021.

Mr. Puneet Motwani – Company Secretary and Compliance Officer (KMP) had resigned from the services of Company and was relieved from his duties as a Company Secretary and Compliance Officer w.e.f. close of business hours on January 20, 2022.

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.

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

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

The Company has following Key Managerial Personnel:

Sr. No.	Name of the person	Designation
1.	Mr. Vivek Talwar	Chairman & Managing Director
2.	Mr. Shirish Suvagia#	Chief Financial Officer
3.	Mr. Ramesh Iyer$	Chief Financial Officer
4.	Mr. Puneet Motwani*	Company Secretary & Compliance Officer

Mr. Shirish Suvagia was appointed as the Chief Financial Officer of the Company w.e.f. April 12, 2022.

$ Mr. Ramesh Iyer ceased to be Chief Financial Officer of the Company w.e.f. October 16, 2021.

* Mr. Puneet Motwani ceased to be Company Secretary & Compliance Officer of the Company w.e.f. January 20,2022.

Corporate Governance

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

Contracts and Arrangements with Related Parties

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

There are no material related party transactions which needs to be disclosed in form AOC-2.

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

Transfer to Investor Education and Protection Fund (IEPF)

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 the 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 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 dividend 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, 2022.

Auditors

As per the provisions of Section 139 of the Act, the term of office of M/s. Nayak & Rane, Chartered Accountants, Statutory Auditors of the Company is upto conclusion of ensuing (56th) Annual General Meeting of the Company. M/s. Nayak & Rane expressed their unwillingness to get re-appointed as Statutory Auditors of the Company for a further period of five years. The Board of Directors on recommendations of Audit Committee approved and recommended to Shareholders appointment of M M Nissim & Co LLP – Chartered Accountants (FRN: 107122W / W100672) for a period of five years i.e. from the conclusion of 56th Annual General Meeting till the conclusion of 61st AGM of the Company.

The Company has received the consent letter from M M Nissim & Co LLP – Chartered Accountants (FRN: 107122W / W100672) along with confirmation that their appointment, if made, would be within the limits prescribed under section 139 and 141 of the Companies Act, 2013 and that they are not disqualified for appointment as audit firm of the Company.

Subject to approval of Members, the Board of Directors of the Company has recommended the appointment of M M Nissim & Co LLP – Chartered Accountants (FRN: 107122W / W100672), as the Statutory Auditors of the Company pursuant to Section 139 of the Act.

Members attention is drawn to a Resolution proposing the appointment of M M Nissim & Co LLP – Chartered Accountants as the Statutory Auditors of the Company which is stated in the Notice convening the Annual General Meeting.

Auditor's Report

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

Secretarial Audit

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s MMJB & Associates LLP, Practising Company Secretaries, to conduct Secretarial audit for F.Y. 2021-22. The Secretarial Audit Report for the Financial Year ennded March 31, 2022 is annexed herewith marked as **Annexure II** to this Report.

The Secretarial Audit Report doesn not contain any qualification, reserveation or adverse remarks except the following:

Observations made by the Auditor	Explanation
Out of the total shareholding of promoter and promoter group only 4242 Equity Shares i.e. 0.01% of the total shareholding of Promoter Category is not in dematerialized form as required under Regulation 31(2) of Listing Regulations	Mr. Vivek Talwar, Promoter and Managing Director of the Company does not have any control over 4242 Equity shares held by certain entities of Promoter group in physical form and hence its been practically not possible for the Company to dematerialize those shares.
In one instance, there has been inadvertent delay in intimating designated depository w.r.t. system driven disclosure	The delay was inadvertent and going ahead the Company will take necessary measures to ensure timely compliance.

Cost Audit

In terms of the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records, in respect of marble business, are required to be audited by a qualified Cost Accountant. The Board of Directors, upon the recommendation of the Audit Committee, had appointed R. K. Bhandari & Co, Cost Accountants, as cost auditor for conducting the audit of cost records of the Company for the applicable segment for Financial Year 2021-22.

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 report on Corporate Governance forming a part of the Annual Report.

Compliance with Secretarial Standards

The Company has complied with 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.

Meetings of the Board

Five meetings of the Board of Directors were 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.

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.

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, 2022 is uploaded on the website of the Company and can be accessed at https://www.nitco.in/corporate/investors/PDFFiles/Annual-Return-2021-22.pdf.

Director's Familiarisation Programme

Pursuant to the Company's Policy on Familiarization Programme for Independent Directors read together with Regulations 25(7) and 46 of the Listing Regulations, the details of programmes organized by the Company during the FY 2021-22 are as under:

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

Number of programmes held during Financial Year 2021-22: 5

Details of attendance of Independent Directors in familiarization programmes:

Name of Director	Category of Directorship	Financial Year 2021-22	
		No. of Programs attended	No. of Hours (hh:mm)
Mr. Sarath Bolar*	Independent Director	3	3:35
Mr. Siddharth Kothari$	Independent Director	1	2:10
Mrs. Bharti Dhar	Independent Director	5	5:80
Mr. Manish Puri	Independent Director	3	2:45
Mr. Prakash Iyer	Independent Director	1	1:45

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sudden demise.

$ Mr. Siddharth Kothari's term as an Independent Director of the Company expired on July 14, 2021 and accordingly he ceased to be an Independent Director of the Company w.e.f. July 14, 2021.

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.

General

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

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

Appreciation and acknowledgement

Your Directors 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 26, 2022
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
	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Paid up Capital	2	125	5	1	1	1	100	1	1	1	1	1	1	1
Reserves	-22.31	246.18	-0.71	-51	-1.9	-1.29	-0.42	130.55	-111.46	-1.22	-1.3	-0.29	-0.37	-0.07
Total Assets	6188.74	513.84	368.04	0.32	452.57	334.78	103.69	134.53	26.99	606.79	436.48	394.46	3.36	1.5
Total Liabilities	6209.05	142.66	363.75	50.32	453.47	335.07	4.1	2.99	137.45	607.01	436.78	393.75	2.73	0.57
Investments (except investment in subsidiary companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET Turnover (Incl. other Income)	-	194.72	-	-	-	-	-	1.85	-	-	-	-	-	-
Profit before taxation	-23.91	-3.28	-0.06	-0.04	-0.15	-0.15	-0.04	0.72	-0.04	-0.11	-0.14	-0.04	-0.04	-0.04
Provision for taxation	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-
Profit after taxation	-23.91	-3.28	-0.06	-0.04	-0.15	-0.15	-0.04	0.52	-0.04	-0.11	-0.14	-0.04	-0.04	-0.04
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

ANNEXURE II

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

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2022

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

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

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

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, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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 Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **('PIT Regulations')**

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**; (Not applicable to the Company during the Audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021**; (Not applicable to the Company during the Audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the Audit period)**

(vi) As identified, no law is specifically applicable to the company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (**'Listing Regulations**').

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

1. *Out of the total shareholding of promoter and promoter group, 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.*

2. *In one instance, there has been inadvertent delay in intimating designated depository w.r.t. system driven disclosure.*

Since company did not have Chief Financial Officer w.e.f. October 16, 2021, the compliances under Regulation 17(8) of listing regulations have been carried out by Managing Director only.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act. Further, there has been drop in number of directors from six to five two times due to resignation of one independent director and death of one independent director which company has filled within prescribed time period given under applicable regulations. The company has also conducted one nomination and remuneration committee meeting without having composition since there was a vacancy of independent director.

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

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

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy of the same shall be read in the context of the observations and remarks specified in this report.

For MMJB & Associates LLP
Company Secretaries

Bhavisha Jewani
Designated Partner
FCS No.: 8503
CP No: 9346
P.R. No: 904/2020
UDIN: F008503D000397903

Place: Mumbai
Date: May 26, 2022

This report is to be read with our letter of even date which is annexed as ***Annexure A'*** and forms an integral part of this report.

Annexure A'

To,
The Members,
NITCO Limited
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East), Mumbai 400042

Our report of even date is to be read along with this letter.

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

For MMJB & Associates LLP
Company Secretaries

Bhavisha Jewani
Designated Partner
FCS No.: 8503
CP No: 9346
P.R. No: 904/2020
UDIN: F008503D000397903

Place: Mumbai
Date: May 26, 2022

ANNEXURE III

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

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

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

B) **Technology Absorption**

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

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

a. Technology imported : No technology has been imported in the last 3 years

b. Year of import : Not Applicable

c. Has the technology been fully absorbed? : Not Applicable

d. If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action : Not Applicable

e. The expenditure incurred on Research & Development : NIL

C) **Foreign exchange earnings and outgo:**

1. Foreign Exchange earned : Rs. 4,692.64 lakhs
2. Foreign Exchange outgo : Rs. 751.03 lakhs

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
DIN: 00043180

Date: May 26, 2022
Place: Mumbai

ANNEXURE IV

Statement of Disclosure of Remuneration

Under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of Chairman & Managing Director, Company Secretary, CEO and CFO during the financial year 2021-22:

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. Ramesh Iyer $	CFO	NA	NIL
3	Mr. Puneet Motwani *	Company Secretary	NA	35%

$ Mr. Ramesh Iyer ceased to be Chief Financial Officer w.e.f. October 16, 2021.

* Mr. Puneet Motwani ceased to be the Company Secretary & Compliance Officer w.e.f January 20,2022.

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 2021-22	5%
2	Total number of employees of the Company as on 31st March, 2022 (on Standalone basis)	486
3	Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2021-22 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 2021-22 was 5%. 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 26, 2022
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

Global Economy

As the economic activities picked up post the COVID induced lockdown, the Global Economy was back on track to recovery. High uncertainty surrounded the global economic outlook, primarily related to the path of the pandemic. Pandemic outbreaks in critical links of global supply chains have resulted in longer-than-expected supply disruptions, further feeding inflation in many countries. Overall, risks to economic prospects have increased, and policy trade-offs have become more complex after the COVID-19 pandemic and a short-lived impact of the Delta & Omicron variant.

The global growth projection for 2021 was revised to 5.9 percent and for 2022 at 4.9 percent by IMF. The Russian war crisis unfolded while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies, emerging market and developing ones.

The economic effects of the war are spreading far and wide mainly through commodity markets, trade, and financial linkages. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. The food and fuel price increases has hurt lower-income households globally—including in the Americas and Asia.

Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. War-related supply shortages will greatly amplify those pressures, notably through increases in the price of energy, metals, and food. As a result, inflation is now projected to remain elevated for much longer in both advanced, emerging market and developing economies.

In this difficult and uncertain environment, effective national-level policies and multilateral efforts have an ever more important role in shaping economic outcomes. Central banks need to adjust their monetary stances even more aggressively should medium- or long-term inflation expectations start drifting from central bank targets or core inflation remains persistently elevated. As advanced economy central banks tighten policy and interest rates rise in those countries, emerging market and developing economies could face a further withdrawal of capital and currency depreciations that increase inflation pressures.

Just as a durable recovery from the pandemic-induced global economic collapse appeared in sight, the overall outlook has deteriorated, largely because of Russia's invasion of Ukraine—causing a tragic humanitarian crisis in Eastern Europe—and the sanctions aimed at pressuring Russia to end hostilities.

Although several economies will need to consolidate their fiscal balances, this should not impede governments from providing relief to households squeezed by higher food and fuel prices, and those affected by the pandemic. Social and health spending more broadly should continue to be prioritized. Embedding these fiscal initiatives in a medium-term framework with a clear, credible path for stabilizing public debt can also help create room to deliver the needed support.

(Source: World Economic Outlook, April 2022)

Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's gross domestic product (GDP) at current prices in 2021-22 is estimated to be Rs. 236.65 lakh crore (US$ 2.96 trillion), as against Rs. 198.01 lakh crore (US$ 2.48 trillion) in 2020-21, showing a growth rate of 19.5%. India's real gross domestic product (GDP) growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's foreign exchange reserves stood at US$ 619.68 billion, as of March 18, 2022, according to data from RBI. After China, Japan, and Switzerland, India had the world's fourth largest FX reserve holding as at the end of November 2021.

As per Economic Survey 2021-22, India's real GDP growth for FY23 is projected at 8.0-8.5%. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

In order to unlock the domestic manufacturing potential across sectors, such as renewable energy, heavy industry, agriculture, automotive and textiles, Budget 2021-22 launched PLI schemes for 13 sectors, with an outlay of Rs 1.97 lakh crore, for a period of 5 years starting from 2021-22. India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity in coming years. As of 31 October 2021, India's total renewable energy installed capacity (excluding hydro power above 25 MW) has reached over 103.05 GW.

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

(Source : Indian Brand Equity Foundation)

Indian Ceramic Tiles Industry

Post Covid-19, there has been paradigm shift in the way the world looked at China as their key sourcing partner for Tiles due to hygiene & reliability factors. There are strong possibilities that European & worlds' leading tiles brands will make sourcing tie-up, JVs and set up their tiles and Ceramics (sanitary-ware) manufacturing plants in India. India has huge potential for replacing Chinese tiles imports in terms of offering competitive price, world class quality, speedy delivery and more importantly reliability in all aspects of the business.

In India, Gujarat based Morbi Ceramic Industry is a largest cluster of Ceramic products contributing more than 80% in the Indian tiles production. Morbi Porcelain Slab Tiles producers are current exporting large format porcelain tile slabs to China apart from rest of the world which is phenomenal.

Due to the Russia-Ukraine war, there has been an unprecedented increase in natural gas prices resulting in a substantial increase in production costs. As a result, several vendors at Morbi undertook shutdowns, impacting availability of products. The export business has been impacted due to the resurgence of COVID Omicron across Europe and the Americas, high production costs and by the all-time high container freight rates. The triumvirate of high prices, product unavailability and lower imports significantly impacted the sector's throughput and profitability.

(Source: indianceramicsourcing.com & other industry data)

Financial review

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

During FY 2021-22, your Company was able to achieve total revenue of Rs. 418.08 Crore. The revenue Increase by 26.67% over last year. The Company is enjoying strong brand equity in the market. EBITDA loss was Rs. (31.81) Crore in FY 2021-22.

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, 2022.

Borrowings:

The total debt of the Company is as under:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Long term borrowings	20,002.63	45,722.55
Current maturity shown under "Current Liabilities"	61,089.93	29,803.38
Total Debt	**81,092.56**	**75,525.93**

Working Capital

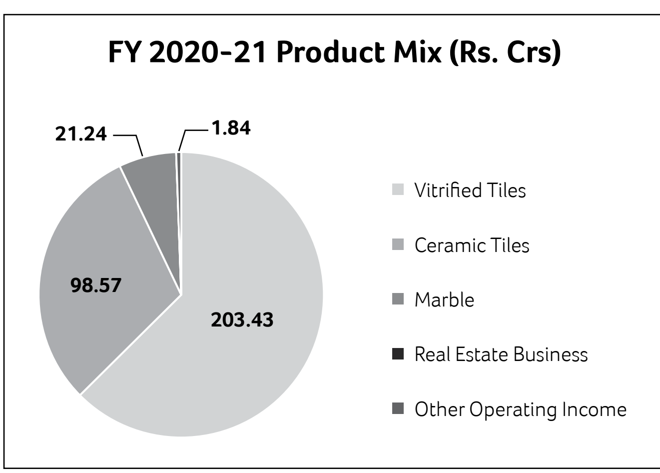
a) Inventory has reduced from Rs. 7,849.62 Lakhs in 2020-21 to Rs. 6,360.88 Lakhs in 2021-22;

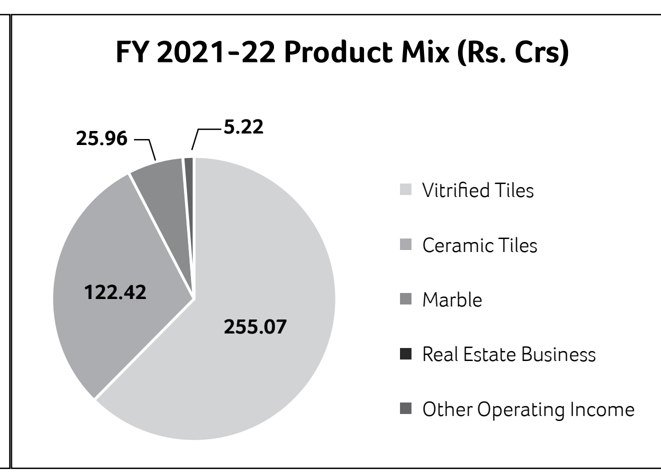
b) Inventory –Real Estate has remained same i.e. Rs. 15,000.00 Lakhs in 2020-21 and 2021-22;

c) Trade receivables have decreased from Rs. 9,915.25 Lakhs in 2020-21 to Rs. 9,655.00 Lakhs in 2021-22;

d) Trade payables have increased from Rs. 12,577.86 Lakhs in 2020-21 to Rs. 14,228.48 Lakhs in 2021-22.

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.
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.

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

2. BOARD OF DIRECTORS

As on March 31, 2022, the Company's Board consisted of Six members which include Managing Director, 3 Independent Directors (including 1 Independent Woman Director) and 2 Nominee Directors (appointed on behalf of JMFARC). The Board is responsible for the management of the affairs of the Company's businesses.

(i) Composition

The details of composition and Directorship held in other companies / board committees by each member of the Board of Directors of the Company as on March 31, 2022 are as under:

Sr. No.	Name of the Director/ DIN	Category Promoter / Independent/ Non executive / Executive)	Number of Directorships held in other Companies	Number of Board Committee Memberships/ Chairmanships held in other Companies		Directorship in other Listed Entities & Category of Directorship
				Member	Chairman	
1	Mr. Vivek Talwar DIN: 00043180	Promoter / Executive Director (Managing Director)	16	2	-	B L Kashyap and Sons Limited – Independent Director
2	Mr. Sharath Bolar * DIN: 07009701	Non- Executive and Independent Director	-	-	-	-
3	Mrs. Bharti Dhar DIN: 00442471	Non- Executive and Independent Director	2	2	-	Multibase India Limited – Independent Director
4	Mr. Vivek Grover DIN: 00421980	Nominee Director	-	-	-	-
5	Mr. Rakesh Kashimpuria DIN: 08816226	Nominee Director	-	-	-	-
6	Mr. Siddharth Kothari # DIN: 02594732	Non- Executive and Independent Director	2	2	-	India Home Loan Limited – Nominee Director
7	Mr. Manish Puri$ DIN: 02615918	Non- Executive and Independent Director	1	-	-	-
8	Mr. Prakash Iyer@ DIN: 00956349	Non- Executive and Independent Director	1	-	-	-

Note:

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sad demise.

\# Mr. Siddharth Kothari's term as an Independent Director of the Company expired on July 14, 2021 and accordingly he ceased to be an Independent Director of the Company w.e.f. July 14, 2021.

$ Mr. Manish Puri was appointed as an Independent Director of the Company w.e.f. August 07, 2021.

@ Mr. Prakash Iyer was appointed as an Additional Independent Director of the Company w.e.f. December 31, 2021.

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

There is no inter-se relationship among the Directors.
None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

(ii) Director's Profile

Mr. Vivek Talwar, son of Late Mr. Pran Nath Talwar and aged 65 years, is the Managing Director of your Company. He has a rich experience of over 40 years in the tile industry. He has joined the Company as a Director in 1980. The operational responsibility and day-to-day functioning of the Company were gradually handed over to him. He was instrumental in setting up a plant at Alibaug to manufacture ceramic floor tiles and also in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate.

Mrs. Bharti Dhar, joined the Company in the year 2015. She is a 1986 batch Commerce graduate and a qualified Cost and Management Accountant. She has rich and varied experience of 31 years in the field of HR. Her long working career has given her exposure and deep insight to the functioning of Government as well as Corporate sector. Twenty-One years back, she envisioned Vitasta Consulting Pvt. Ltd. as a professional HR services organization. She saw the need for creating a process driven, values based organisation that would be known for its professionalism. The organisation started as a one woman proprietary concern and has blossomed into a vibrant team of 40 young and dynamic professionals, most of them being women.

Mr. Vivek Grover aged 57 years, was nominated by JM Financial Asset Reconstruction Company Limited (JMFARC) as Nominee Director on the Board of Nitco Limited in the year 2018. Mr. Vivek Grover has 13 years of experience as Executive Director in the field Head of Acquisitions of Non-Performing Loans at JMFARC. Prior to joining JMFARC he has worked with companies like IDBI Bank and Mecon (India) Ltd. Mr. Grover has completed Mechanical Engineering (B. Tech) from Banaras Hindu University, Varanasi. He has also done CFA (Charter Financial Analyst) from ICFAI.

Mr. Rakesh Kashimpuria, has been associated with JM Financial ARC for over 13 years. He is a Chartered Accountant and holds a MMS degree from Jamnalal Bajaj Institute of Management Studies. He has over 16 years of experience in distressed debt investments. He has previously worked with CARE Ratings, Deutsche Bank Group (responsible for portfolio investments in distressed debt across SE Asia). Mr. Rakesh Kashimpuria was nominated by JMFARC as Nominee Director on the Board of Nitco Limited in the year 2020.

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

Mr. Prakash Iyer, aged 52 years is a qualified Chartered Accountant (CA) and Cost Accountant (ICWA). He works as an Independent Fund Manager and CIO for the Haldirams Family Office. He has previously worked with companies named Hindustan Lever, ICRA Ratings, Arthur Andersen, IL & FS and Ernst & Young. He has also worked as a CEO for Butterfly Kitchen Appliances where he delivered a turnaround and set the ground for blazing growth. He has worked as an Advisor for Venture Catalyst.

(iii) Details of Shareholding of Directors as on March 31, 2022

Sr. No.	Name of the Director	No. of Shares
1	Vivek Talwar	6323669
2	Vivek Talwar (HUF)	27264

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

(iv) Meetings and Attendance

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

Sr. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the last AGM
1	Mr. Vivek Talwar	5	5	Yes
2	Mr. Sharath Bolar*	3	3	Yes
3	Mrs. Bharti Dhar	5	5	Yes
4	Mr. Vivek Grover	5	5	No
5	Mr. Siddharth Kothari#	1	1	N.A.
6	Mr. Rakesh Kashimpuria	5	5	N.A.
7	Mr. Manish Puri$	2	2	Yes
8	Mr. Prakash Iyer@	1	1	N.A.

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sad demise.

\# Mr. Siddharth Kothari's term as an Independent Director of the Company expired on July 14, 2021 and accordingly he ceased to be an Independent Director of the Company w.e.f. July 14, 2021.

$ Mr. Manish Puri was appointed as an Independent Director of the Company w.e.f. August 07, 2021.

@ Mr. Prakash Iyer was appointed as an Additional Independent Director of the Company w.e.f. December 31, 2021.

Meetings of the Board of Directors were held on June 11, 2021, July 21, 2021, August 11, 2021, November 11, 2021 and February 09, 2022.

The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company at https://www.nitco.in/corporate/investors/pdffiles/appointment-letter-of-independent-director.pdf

(v) 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.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 and the Rules framed thereunder and are independent of the management as required under Regulation 25 of the Listing Regulations.

The Independent Directors of the Company meet at least once in a year without the presence of Executive Directors and Key Managerial Personnel. They review the performance of Non- Independent Directors and the Board as a whole, review the performance of Chairman of the Board, assess the quality, quantity and timeliness of the flow of information between management and the Board that is necessary for it to effectively and reasonably perform its duties. The details of the Familiarization Programs imparted to Independent Directors are available on the Company's website at https://www.nitco.in/corporate/investors/announcements. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

One meeting of Independent Directors was held during the Financial Year 2021-22 on February 09, 2022.

(vi) 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 Section 178 of the Act and Code for Independent Directors as outlined under Schedule IV of the Act. Such evaluation factors including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc. Separate meeting of the Independent Directors was held, *inter alia*, to review the performance of Non-Independent Directors, the Chairman and the Board.

(vii) Board Skill Matrix

The Board has identified the following skills/expertise/competencies required for effective functioning of the company which are currently available with the Board:

Sr. No.	Skill, Expertise and Competencies	Brief Particulars	Names of Directors who 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 organisation to maximise shareholder value.	a) Mr. Vivek Talwar b) Mr. Vivek Grover c) Mr. Rakesh Kashimpuria d) Mrs. Bharti Dhar e) Mr. Manish Puri f) Mr. Prakash Iyer
2	Financial Knowledge	The Board members need to have adequate financial knowledge. They need to have proficiency in financial management, capital allocation and financial reporting processes and should also have the ability to understand financial policies and accounting statements.	
3	Industry knowledge and experience	The Board members need to possess knowledge of the industry/business in which the Company operates viz. Tiles, Marbles, Mosaic. The Board members should also possess adequate knowledge about the real estate industry.	
4	Governance	The Board members should have experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values	

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The Audit Committee of the Board of Directors is constituted pursuant to the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations and consists of Managing Director and three Independent Directors. The role of the Audit Committee is to provide directions and to oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as may be required in terms of the Act and Listing Regulations.

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 2021-22

Sr. No.	Name of the Member	Committee Member / Chairman	No. of Meetings held	No. of Meetings attended
1	Mr. Siddharth Kothari - Non-Executive and Independent Director#	Chairman	1	1
2	Mr. Manish Puri - Non-Executive and Independent Director$	Chairman	3	2
3	Mr. Vivek Talwar- Managing Director	Member	4	3
4	Mr. Sharath Bolar - Non-Executive and Independent Director*	Member	2	2
5	Mrs. Bharti Dhar - Non-Executive and Independent Director	Member	4	4
6	Mr. Prakash Iyer - Non-Executive and Independent Director@	Member	1	1

Mr. Siddharth Kothari's term as an Independent Director of the Company expired on July 14, 2021 and accordingly he ceased to be an Independent Director of the Company and Chairman of the Audit Committee w.e.f. July 14, 2021.

$ Mr. Manish Puri was appointed as an Independent Director of the Company w.e.f August 07, 2021 and Chairman of the Audit Committee.

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sad demise and consequently ceased to be a Member of the Audit Committee.

@ Mr. Prakash Iyer was appointed as an Additional Independent Director of the Company and Member of the Audit Committee w.e.f. December 31, 2021.

Meetings of the Audit Committee of the Board of Directors were held on June 11, 2021, August 11, 2021, November 11, 2021 and February 09, 2022.

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

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

(ii) Stakeholders Relationship Committee

Composition, Meetings and Attendance during Financial Year 2021-22

Sr. No.	Name of the Member	Committee Member / Chairman	No. of Meetings during the year	No. of Meetings attended
1	Mr. Sharath Bolar - Non-Executive and Independent Director*	Chairman	0	0
2	Mrs. Bharti Dhar - Non-Executive and Independent Director	Chairperson	1	1
3	Mr. Vivek Talwar - Managing Director	Member	1	1
4	Mr. Manish Puri - Non-Executive and Independent Director$	Member	1	1

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sad demise and consequently ceased to be a Chairman of the Stakeholders Relationship Committee.

$ Mr. Manish Puri was appointed as an Independent Director of the Company and Member of the Stakeholders Relationship Committee w.e.f. August 07, 2021.

Meeting of the Stakeholders Relationship Committee of the Company was held on February 09, 2022. There were no complaints of Shareholders pending as on March 31, 2022. Details of complaints received and redressed during the Financial Year 2021-22 are as follows:

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

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

Mr. Puneet Motwani, Company Secretary was the Compliance Officer upto January 20, 2022.

(iii) Nomination and Remuneration Committee

As required under Regulation 19 of the Listing Regulations and Section 178 of the Act a Nomination and Remuneration Committee consists of three Directors.

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

Composition, Meetings and Attendance during Financial Year 2021-22

Sr. No.	Name of the Member	Committee Member / Chairman	No. of Meetings during the year	No. of Meetings attended
1	Mr. Sharath Bolar - Non-Executive and Independent Director*	Chairman	0	0
2	Mr. Siddharth Kothari - Non-Executive and Independent Director$	Member	0	0
3	Mrs. Bharti Dhar – Non-Executive and Independent Director	Chairperson	1	1
4	Mr. Manish Puri - Non-Executive and Independent Director	Member	1	1
5	Mr. Prakash Iyer - Non-Executive and Independent Director	Member	0	0

* Mr. Sharath Bolar ceased to be the Independent Director of the Company w.e.f. October 18, 2021 due to his untimely and sad demise and consequently ceased to be a Chairman of the Nomination and Remuneration Committee.

$ Mr. Siddharth Kothari's term as an Independent Director of the Company expired on July 14, 2021 and accordingly he ceased to be an Independent Director of the Company and Member of the Nomination and Remuneration Committee w.e.f. July 14, 2021.

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 behavior and judgment.

(iv) Corporate Social Responsibility Committee

With respect to profits reflected due to restructuring of the Company's debt in the F. Y. 2017-18, the Company had formed the CSR Committee in accordance with the provisions of Section 135 of the Act. In view of continuous losses in the preceding financial years, the Company is not required to contribute to the CSR activities as mandated under the provisions of section 135 of the Companies Act 2013, hence the Committee was dissolved w.e.f. August 11, 2021.

The members of the committee were:

Sr. No.	Name of the Member
1	Mrs. Bharti Dhar - Chairperson- Non-executive and Independent Director
2	Mr. Sharath Bolar- Non-executive and Independent Director
3	Mr. Vivek Talwar – Managing Director

Remuneration of Directors

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

The details of remuneration to Directors for the year ended March 31, 2022 are as under:

(Rs. in lacs)

Name of Directors	Category	Salary	Perquisites and other benefits	Commission	Sitting fees	Total
Mr. Vivek Talwar*	Managing Director	-	-	-	-	-
Mr. Siddharth Kothari (upto July 14, 2021)	Non-Executive & Independent Director	-	-	-	0.50	**0.50**
Mr. Sharath Bolar (upto October 18, 2021)	Non-Executive & Independent Director	-	-	-	1.30	**1.30**
Mrs. Bharti Dhar	Non-Executive & Independent Director	-	-	-	2.45	**2.45**
Mr. Manish Puri (w.e.f. August 7, 2021)	Non-Executive & Independent Director	-	-	-	1.15	**1.15**
Mr. Prakash Iyer (w.e.f. December 31, 2021)	Non-Executive & Independent Director	-	-	-	0.55	**0.55**
Mr. Vivek Grover@	Nominee Director	-	-	-	1.50	**1.50**
Mr. Rakesh Kashimpuria@	Nominee Director	-	-	-	1.50	**1.50**

* Mr. Vivek Talwar the Managing Director was not paid any salary during the Financial Year 2021-22.

@ 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).

None of the Non-Executive Directors hold any shares or instrument convertible to shares during the Financial Year 2021-22.

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.

4. SUBSIDIARY COMPANIES

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

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

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

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

5. DISCLOSURES

(i) Related Party Transactions

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

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

The Board has approved a policy on materiality of related party transactions and dealing with related party transactions which is available on the Company's website at https://www.nitco.in/corporate/investors/nitco-policy.

(ii) Compliances by the Company

The Company has complied with the requirements of the Companies Act, 2013 and rules framed thereunder, Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Ministry of Corporate Affairs / Registrar of Companies, Stock Exchanges or SEBI or any other statutory authorities.

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at https://www.nitco.in/corporate/investors/code-of-conduct.

(iv) CEO / CFO certification

Pursuant to provisions of Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other related matters related for the year ended March 31, 2022. The Certificate forms part of this Annual Report.

(v) Accounting treatment

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

(vi) Whistle Blower Policy

The Board has established a vigil mechanism by adopting a 'Whistle Blower Policy' for stakeholders including Employees and Directors and their representatives to freely communicate their concerns about illegal or unethical practices. The Whistle Blower Policy is available on Company's website at https://www.nitco.in/corporate/investors/nitco-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. During the Financial Year 2021-22, the Company has not received any compliant under Whistle Blower Policy.

(vii) Remuneration to Statutory Auditors

M/s. Nayak & Rane, Chartered Accountants (ICAI Firm Registration No. 117249W) 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.

M/s. Nayak & Rane, Chartered Accountants, was paid audit fees of Rs. 14 Lakhs during the financial year 2021-22.

None of the subsidiary companies have availed any services from the statutory auditors of the Company during the Financial Year 2021-22.

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

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

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

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

(x) Certificate from Company Secretary in Practice

M/s. Mayur More & Associates, Practicing Company Secretary (Certificate of Practice No. 13104) have certified that as on the date of the report, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate forms part of this Annual Report.

(xi) Recommendation of Committees

All recommendations/submissions made by various Committees of the Board during the Financial Year 2021-22 were accepted by the Board of Directors of the Company.

(xii) Credit Ratings

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

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

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 three members (including 1 external member) has been formed to address complaints regarding sexual harassment of women at workplace. During the year under review, no complaints were received by the ICC for redressal.

6. MEANS OF COMMUNICATION

- The quarterly and half-yearly results of the Company were published within 48 hours in one English language and in one Marathi newspapers with wide circulation i.e. Financial Express (English) and Mumbai Laksdweep (Marathi). The results, press releases and the shareholding pattern of the Company are displayed on the Company's website at www.nitco.in from time to time. Presentations, if any, made to institutional investors and analysts after the declaration of quarterly, half-yearly and annual results are also displayed on the Company's website.

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

- **Stock Exchanges:** The Company also informs, by way of intimation, to the stock exchanges all price-sensitive matters or such other matters which in its opinion are material and relevant to shareholders. All data/reports required to be filed with the stock exchanges have been regularly filed with them.

- **Management Discussion and Analysis:** A report on Management Discussion and Analysis is appended and forms a part of this Annual Report.

- **NSE Electronic Application Processing System (NEAPS) / Digital Portal:** The NEAPS / Digital Portal 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 / Digital Portal.

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

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

7. SHAREHOLDER'S INFORMATION

(i) The **Annual General Meeting** is scheduled to be held on Friday, September 30, 2022 through Video Conferencing / Other Audio Visual Means.

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

(iii) General Body Meeting:

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

Financial Year	Date	Day	Time	Location	Whether passed any Special Resolution
2020-21	September 24, 2021	Friday	11:00 A.M.	Through Video Conferencing	No
2019-20	September 25, 2020	Friday	11:00 A.M.	Through Video Conferencing	No
2018-19	September 19, 2019	Thursday	11:00 A.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, , Kala Ghoda, Mumbai – 400 001	1. Re-appointment of Mr. Sharath Bolar as Independent Director for a further term of 5 years. 2. Re-appointment of Mrs. Bharti Dhar as Independent Director.

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

(iv) Dividend Payment Date: Not Applicable.

(v) 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 2022-23.

(vi) Stock code/symbol: BSE - 532722

NSE - NITCO

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

Address of Stock Exchanges:

- National Stock Exchange of India Limited - Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 05.
- BSE Limited- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

(vii) 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

(viii) 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.

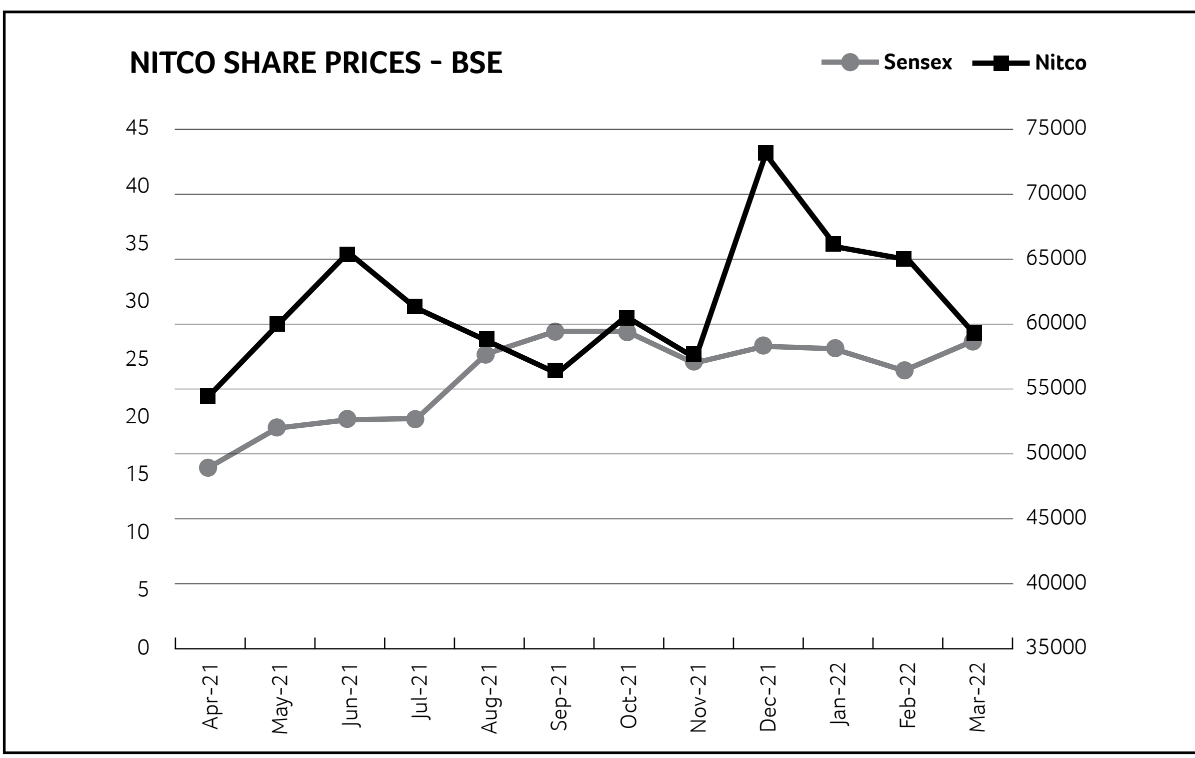
The Company obtains yearly certificate from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the Listing Regulations. As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile 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.

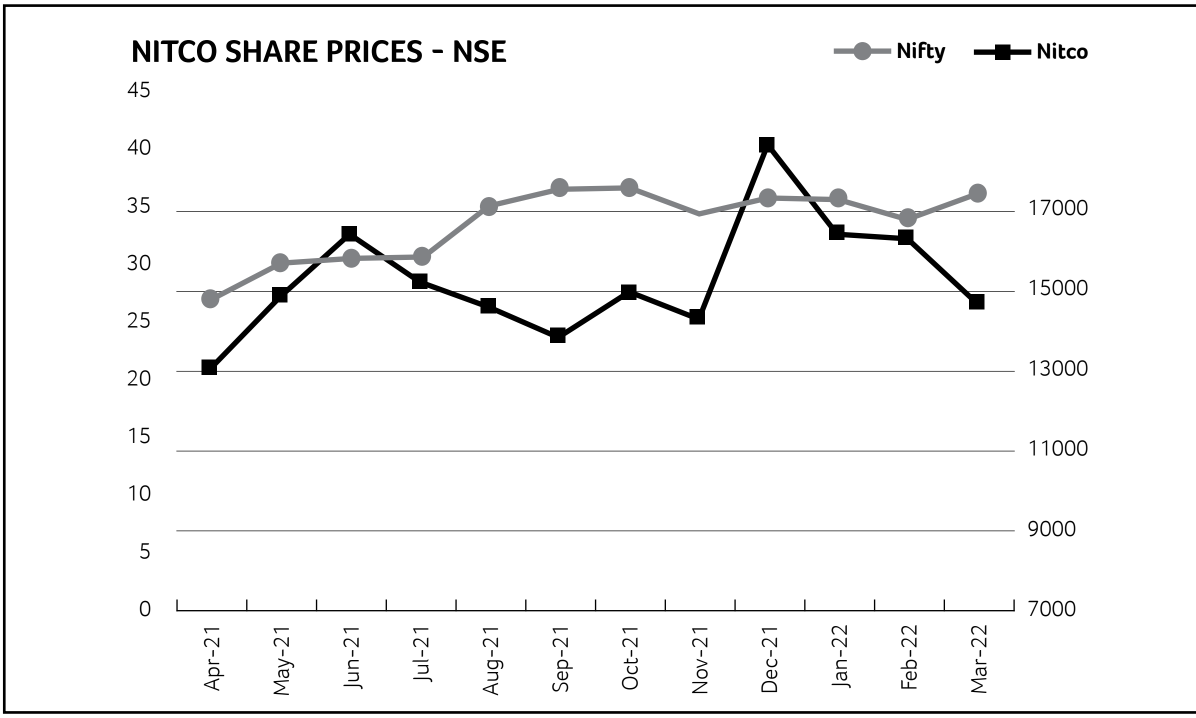
(ix) Dematerialisation of Shares and Liquidity

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.

(x) Market Price Data at BSE and NSE :

Month	STOCK EXCHANGE					
	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Price		Sensex	Share Price		Nifty
	High (Rs.)	Low (Rs.)	Close	High (Rs.)	Low (Rs.)	Close
Apr 21	21.6	17.4	48782.36	20.70	17.35	14631.1
May 21	27.95	18.65	51937.44	27.95	18.25	15582.8
June 21	33.9	24.3	52482.71	33.95	24.60	15721.5
July 21	29.4	24.65	52586.84	29.25	25.10	15763.05
Aug 21	26.7	19.35	57552.39	26.65	19.50	17132.2
Sept 21	23.95	20.8	59126.36	24.00	20.70	17618.15
Oct 21	28.45	21.85	59306.93	28.20	21.80	17671.65
Nov 21	25.35	21.5	57064.87	25.65	22.15	16983.2
Dec 21	42.75	23.6	58253.82	42.80	23.60	17354.05
Jan 22	34.75	28.55	58014.17	34.00	28.55	17339.85
Feb 22	33.5	24.65	56247.28	33.45	24.60	16793.9
Mar 22	27.15	22.35	58568.51	27.15	22.40	17464.75





Shareholding pattern as on March 31, 2022:

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

(xi) Distribution of shareholding as on March 31, 2022:

No. of equity shares	No. of share holders	Percentage of Share holders	Share Amount (INR)	Percentage of Share holding
1 - 5000	19362	84.3036	23628710	3.2882
5001 - 10000	1795	7.8156	15025770	2.0910
10001 - 20000	858	3.7358	13306960	1.8518
20001 - 30000	331	1.4412	8536330	1.1879
30001 - 40000	147	0.64	5288580	0.7360
40001 - 50000	138	0.6009	6594890	0.9178
50001 - 100000	156	0.6792	11831070	1.6464
100001 and above	180	0.7837	634377240	88.2809
Total	**22967**	**100.00**	**718589550**	**100**

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

(xii) Transfer of Unclaimed / Unpaid Dividend

The Company 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. 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.

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

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

Securities	As on April 1, 2021		Shareholders who approached the Registrar and Shares transferred in their favour during the year		Balance as on March 31, 2022	
	No. of records	No. of shares	No. of Records	No. of shares	No. of records	No. of Shares
Equity Shares	01	785	0	0	01	785

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

(xiv) Nomination facility

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

(xv) Consolidation of folios and avoidance of multiple mailing

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

(xvi) National Electronic Clearing Services (NECS) Mandate

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

(xvi) 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.

(xvii) Addresses

Plant Locations

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

Correspondence

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.

(xix) Compliance Disclosure

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

For and on behalf of the Board
VIVEK TALWAR
Managing Director

Date: May 26, 2022
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 31st March 2022.

FOR **NITCO LIMITED**

VIVEK TALWAR
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: May 26, 2022

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Nitco Limited

We have examined the compliance of conditions of Corporate Governance procedures implemented by NITCO Limited for the year ended March 31, 2022, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), of the said Company with the stock exchanges of India.

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

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

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

For Nayak & Rane,
Chartered Accountants
FRN: 117249W

Kishore Rane
Partner
Membership No. 100788

Place: Mumbai
Date: August 8, 2022
UDIN: 22100788APWIBK6379

MD/CFO CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
NITCO Limited

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:

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

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

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

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

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

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

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

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

Vivek Talwar
Managing Director

Shirish Suvagia
Chief Financial Officer

Place: Mumbai
Date: May 26, 2022

INDEPENDENT AUDITORS REPORT

To the members of Nitco Ltd

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of NITCO Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

1 We draw attention to the following points due to which material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

i. The Company has been continuously making operating losses. During the current financial year ended 31st march 2022 company incurred a net loss of Rs.125.87 crores (Rs. 121.36 crore in financial year ended 31st March 2021) thereby resulting in a negative net worth of Rs.194.75 crores.

ii. The Company has defaulted in repayment of loan and interest from JMFARC amounting to Rs.334.79 crores.

iii. Under the restructuring agreement JMFARC has the right to revoke in the case of default, the waiver of Rs 546 cr and all the reliefs and concessions granted to the company. As informed by the company they have not yet received any notice from JMFARC.

Having regard to the totality of the facts and circumstances stated above, it is our considered opinion that the company will be able to continue as a going concern only if it is able to restructure or repay its loan from JFMARC , servicing its debts on the due date and raise required funds.

Our opinion about the financial statements for the year under review is not modified in respect of this matter.

Emphasis of Matters.

a. Refer Note 38(b)(v) ,Company has not provided for interest on the outstanding loan of LIC of Rs 18.87 cr as they are hopeful of its restructuring same in line of JMFARC.

b. Refer Note no 38(b)(ii) , Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 170 crore 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.

c. Refer Note no 38(b)(iii), Revenue Department has raised a demand of Rs 51.08 crore . No provision for the demand is made in the books as company has received interim relief against the order from Bombay High Court.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

 (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38(b) to the standalone Ind AS financial statements;

 (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

 (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Nayak & Rane
Chartered Accountants
ICAI Firm Registration Number: 117249W

Kishore Rane
Partner
Membership Number: 100788
UDIN:

Place of Signature: Mumbai
Date: 26th May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to in the Independent Auditor's Report to the members of the Company on the standalone IND AS financial statements for the year ended 31 March 2022, we report the following:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.;

2. The Company has maintained proper records showing full particulars of intangible assets. The Intangible Assets have been fully amortized.

b. Property, Plant, and Equipment have been physically verified by the management during the year; accordingly there are no major discrepancies identified by the management in physical verification. Company is having policy of verifying fixed asset once in a three year.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except for one immoveable property which amounts to gross block of Rs.278.38 Lakh and net block of Rs.249.82 Lakh whose title deed is not held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone IND AS financial statements, the lease agreements are in the name of the Company.

Description of property	Gross carrying value (Rs. in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land as Plot No F-6/3 in the Thane Industrial Estate admeasuring 4144 sq. mtrs	249.82/-	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 merge with Nitco tile Ltd (NTL) Refer HC petition no 797 of 2001

d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder as per the representation given by the management.

ii. a. The inventory (excluding stock with third parties) has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect with the inventory lying with third parties, these have been substantially confirmed by them. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were less than 10% for each class of inventory and hence reporting under clause 3 (ii) (a) of the Order is not applicable.

b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the Order is not applicable.

iii. During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(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 3(iii)(a) of the Order is not applicable.

(b) 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 3(iii)(b) of the Order is not applicable.

(c) The loans and advances in the nature of loans given by the company in previous years. In the absence of agreement consequentially no stipulation of schedule of repayment of Principal and interest is available Company has however received Rs.

34,00,000/- from NRPL during the year. The Outstanding Balances of such loans or advances granted is reported as below:

Sr. No	Party Name	Amount outstanding as on 31.03.2022
1	Advances to Employees	7,67,413
2	Nitco Realties Private Limited (NRPL)	58,85,09,633
3	Meghdoot Properties Private Limited	56,640
4	Maxwealth Properties Private Limited	56,640
5	Silver-Sky Real Estates Pvt Ltd	55,460
6	Feel Better Housing Pvt. Ltd.	56,640
7	Saumya Buildcon Private Limited	9,95,98,800
8	Nitco Tiles & Marble Industries (Andhra) Private Limited	99,526
9	Poonam Talwar	9,19,098
	Total	**69,01,19,850**

As there is no stipulation of repayment of principal and interest, we are not in a position to comment on the status of overdue loan. Further the entire loan given by the company to NRPL is mainly invested in purchase of land.–

(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 point no iii (c) company has given loan to NRPL which is repayable on demand and without specifying any terms or period of repayment in previous years . The balance as at the year-end of such loan is as under :

Description	All Parties	Promoters	Related parties
The aggregate amount of loans/ advances in nature of loans	-	-	-
Repayable on demand (A)	-	-	-
The agreement does not specify any terms or period of repayment (B)	-	-	-
There is no agreement (C)	10,03,66,213	9,19,098	58,88,34,539
Total (A+B+C)	10,03,66,213	9,19,098	58,88,34,539
Percentage of loans/ advances in nature of loans to the total loans	14.54%	0.13%	85.33%

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

v. According to information and explanations given to us, The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

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

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

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

Name of the Statute	Nature of the Dues	Total Rs in lakhs	Period	Forum where dispute is pending
Customs	Redemption Fine	300.00	Various periods	CESTAT
GST	Various GST penalty for 2019-20 & 2020-21	18.85	Various periods	Additional commissioner GSTT
Service Tax	Input Tax Credit	228.93	Various periods	CESTAT Ahmedabad
Service Tax		1,955.62	Various periods	CESTAT-Mumbai
VAT/ Central Sales Tax	Input Tax Credit	5.62	Various periods	Addl. Com.-Grade-2
VAT/ Central Sales Tax		74.38	Various periods	Deputy commissioner of sales tax
VAT/ Central Sales Tax		0.58	Various periods	JCCT- Appeal -1
VAT/ Central Sales Tax		575.96	Various periods	Jt. Comm of Sales Tax Appeal
VAT/ Central Sales Tax		6.74	Various periods	KVAT TRIBUNAL
VAT/ Central Sales Tax		835.69	Various periods	The Mumbai Sales Tax Tribunal
VAT/ Central Sales Tax		594.88	Various Periods	Tribunal
VAT/ Central Sales Tax	Input Tax Credit / "C" forms	2.61	Various periods	Addl. Com.-Grade-2
VAT/ Central Sales Tax		1,205.98	Various Periods	Deputy commissioner of sales tax
VAT/Central Sales Tax		17.70	Various Periods	Joint Commissioner
VAT/ Central Sales Tax		98.49	Various periods	Various Departments

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

ix. a. According to the explanations and information are given to us, the Company has defaulted in repayment of dues, the amount of default to a financial institution is as shown below:

In Crore

Sr.	Nature of borrowing, including debt securities	Name of Lendor	Amount not paid on a due date	Whether Principal or Interest Amount	Due Date	No days delays or unpaid	Remarks, if any
1	Term Loan 200 Cr.	JMFARC	10.00	Principal	30-Jun-20	639	
			10.00	Principal	30-Sep-20	547	
			10.00	Principal	31-Dec-20	455	
			10.00	Principal	31-Mar-21	365	
			13.28	Principal	31-Mar-21	365	
			10.00	Principal	30-Jun-21	274	
			10.00	Principal	30-Sep-21	182	
			10.00	Principal	31-Dec-21	90	
			10.00	Principal	31-Mar-22	0	
			24.66	Principal	31-Mar-22	0	
			4.80	Interest	30-Jun-20	639	
			5.15	Interest	30-Sep-20	547	
			4.53	Interest	31-Dec-20	455	
			5.73	Interest	31-Mar-21	365	
			6.14	Interest	30-Jun-21	274	
			6.57	Interest	30-Sep-21	182	
			6.95	Interest	31-Dec-21	90	
			7.17	Interest	31-Mar-22	0	

In Crore

Sr.	Nature of borrowing, including debt securities	Name of Lendor	Amount not paid on a due date	Whether Principal or Interest Amount	Due Date	No days delays or unpaid	Remarks, if any
2	Term Loan 300 Cr.	JMFARC	69.54	Principal	31-Mar-20	730	
			15.00	Principal	31-Mar-21	365	
			30.00	Principal	31-Mar-22	0	
			25.44	Interest	31-Mar-21	365	
			29.83	Interest	31-Mar-22	0	
3	LIC Loan	LIC	0.83	Principal	30-Jun-14	2831	
			0.83	Principal	30-Sep-14	2739	
			0.83	Principal	31-Dec-14	2647	
			0.83	Principal	31-Mar-15	2557	
			0.42	Principal	30-Jun-15	2466	
			0.42	Principal	30-Sep-15	2374	
			0.42	Principal	31-Dec-15	2282	
			0.42	Principal	31-Mar-16	2191	
			0.42	Principal	30-Jun-16	2100	
			0.42	Principal	30-Sep-16	2008	
			0.42	Principal	31-Dec-16	1916	
			0.42	Principal	31-Mar-17	1826	
			0.63	Principal	30-Jun-17	1735	
			0.63	Principal	30-Sep-17	1643	
			0.63	Principal	31-Dec-17	1551	
			0.63	Principal	31-Mar-18	1461	
			0.42	Principal	30-Jun-18	1370	
			0.42	Principal	30-Sep-18	1278	
			0.42	Principal	31-Dec-18	1186	
			0.42	Principal	31-Mar-19	1096	
			0.42	Principal	30-Jun-19	1005	
			0.42	Principal	30-Sep-19	913	
			0.42	Principal	31-Dec-19	821	
			0.42	Principal	31-Mar-20	730	
			0.42	Principal	30-Jun-20	639	
			0.42	Principal	30-Sep-20	547	
			0.42	Principal	31-Dec-20	455	
			0.42	Principal	31-Mar-21	365	
			0.63	Principal	30-Jun-21	274	
			0.63	Principal	30-Sep-21	182	
			0.63	Principal	31-Dec-21	90	
			0.63	Principal	31-Mar-22	0	
			0.02	Principal	31-Dec-14	2647	
			0.21	Principal	31-Mar-15	2557	

In Crore

Sr.	Nature of borrowing, including debt securities	Name of Lendor	Amount not paid on a due date	Whether Principal or Interest Amount	Due Date	No days delays or unpaid	Remarks, if any
			0.07	Principal	30-Jun-15	2466	
			0.07	Principal	30-Sep-15	2374	
			0.07	Principal	31-Dec-15	2282	
			0.07	Principal	31-Mar-16	2191	
			0.07	Principal	30-Jun-16	2100	
			0.07	Principal	30-Sep-16	2008	
			0.07	Principal	31-Dec-16	1916	
			0.07	Principal	31-Mar-17	1826	
			0.11	Principal	30-Jun-17	1735	
			0.11	Principal	30-Sep-17	1643	
			0.11	Principal	31-Dec-17	1551	
			0.11	Principal	31-Mar-18	1461	
			0.11	Principal	30-Jun-18	1370	
			0.11	Principal	30-Sep-18	1278	
			0.11	Principal	31-Dec-18	1186	
			0.11	Principal	31-Mar-19	1096	
			0.14	Principal	30-Jun-19	1005	
			0.14	Principal	30-Sep-19	913	
			0.14	Principal	31-Dec-19	821	
			0.14	Principal	31-Mar-20	730	

b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority as per the representation given by the management.

c. The Company has not taken any term loan during the year nor any sanctioned loan of earlier years were utilized during the year and therefore reporting under clause 3(ix)(c) of the Order is not applicable.

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

e. According to the information and explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, Associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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

b. 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 and upto the date of this report.

c. There are no whistle blower complaints received by the Company during the year (and upto the date of this report).

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

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

xiv. (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. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and(c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses during the financial year amounting to Rs.9547.97 lakhs covered by our audit and Rs.9,383.12 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 believe and report that material uncertainty exists as on the date of the audit report indicating that Company is not 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.

xx. (a) The Company is not required to spend any amount towards Corporate Social Responsibility (CSR) on other than ongoing projects or ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) and (6) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) and 3 (xx) (b) of the Order is not applicable for the year.

xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

Kishore Rane
Partner

Membership No: 100788
Place: Mumbai
Date: 26th May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (f) under 'Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of NITCO Limited (the 'Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Kishore Rane
Partner
M.No : 100788

Place : Mumbai
Date : 26th May 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	36,249.14	39,003.26
Capital work-in-progress	**3.1**	260.67	310.76
Right-of-use Assets	**3A**	70.99	208.66
Intangible assets	**4**	-	-
Financial Assets			
Investments	**5**	694.59	694.59
Other Financial Assets	**6**	3,419.62	3,404.93
Other non-current assets	**7**	1,532.21	1,501.48
		42,227.22	**45,123.68**
Current assets			
Inventories	**8**	6,360.88	7,849.62
Inventories – Real Estate	**9**	15,000.00	15,000.00
Financial assets			
Trade receivables	**10**	9,655.00	9,915.25
Cash and cash equivalents	**11**	1,167.08	1,187.62
Loans	**12**	5,895.02	5,930.65
Other financial assets	**13**	36.84	21.77
Other current assets	**14**	3,775.44	4,292.92
		41,890.26	**44,197.83**
Total Assets		**84,117.48**	**89,321.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**15**	7,185.90	7,185.90
Other equity	**16**	(26,661.29)	(14,112.93)
		(19,475.39)	**(6,927.03)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	**17**	20,002.63	45,722.55
Lease Liabilities	**18**	33.93	69.88
Provisions	**19**	214.60	215.33
		20,251.16	**46,007.76**
Current liabilities			
Financial liabilities			
Borrowings	**17**	61,089.93	29,803.38
Trade payables	**20**		
- Total outstanding dues of micro enterprises and small enterprises;		640.26	616.13
- Total outstanding dues of creditors other than micro enterprises and small enterprises		13,588.22	11,961.73
Lease Liabilities	**18**	51.63	162.37
Other financial liabilities	**21**	1867.34	1,839.29
Other current liabilities	**22**	5,766.87	5,518.33
Provisions	**23**	337.46	339.55
		83,341.71	**50,240.78**
Total Equity and Liabilities		**84,117.48**	**89,321.51**

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

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue From Operations	**24**	40,867.25	32,507.75
Other Income	**25**	744.64	259.67
Total Income		**41,611.89**	**32,767.42**
EXPENSES			
Cost of materials consumed	**26**	2,791.08	2,173.26
Purchase of stock-in-trade		28,909.69	22,204.07
Changes in inventories of finished goods, stock in trade and work-in-progress	**27**	975.75	700.97
Employee benefits expense	**28**	5,334.56	5,097.08
Finance costs	**29**	6,432.61	5,362.07
Depreciation and amortisation expense	**30**	3,000.38	3,074.97
Other expenses	**31**	6,754.47	6,291.08
Total Expenses		**54,198.54**	**44,903.50**
Profit /(Loss) before tax before exceptional items		**(12,586.65)**	**(12,136.08)**
Exceptional items - gain/(loss)		-	-
Profit /(Loss) before tax after exceptional items		**(12,586.65)**	**(12,136.08)**
Tax expense:			
Current Tax (earlier years)		-	376.51
Deferred Tax		-	-
Profit /(Loss) for the year		**(12,586.65)**	**(12,512.59)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains /(losses) on defined benefit plans	**32**	38.29	54.50
Income tax effect on such items			
Total other comprehensive income for the year, net of tax		**38.29**	**54.50**
Total comprehensive income/(Loss) for the year, net of tax		**(12,548.36)**	**(12,458.09)**
Earnings per equity share (computed on the basis of profit for the year):			
(1) Basic	**33**	(17.46)	(17.34)
(2) Diluted		(17.46)	(17.34)

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

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
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Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity share capital

(Rs. in Lakh)

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

B. Other equity

(Rs. in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive income	Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)	Other items of other comprehensive income (Re-measurements of defined benefit obligations)	
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)**
As at 1 April 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,898.30)**	**(35.46)**	**(1,654.84)**
Net income / (loss) for the year	-	-	-	-	(12,512.59)	-	(12,512.59)
Other comprehensive income	-	-	-	-	-	54.50	54.50
As at 31 March 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,410.89)**	**19.04**	**(14,112.93)**

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

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Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

		Year ended 31 March 2022		Year ended 31 March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit /(Loss) before tax & exceptional items		(12,586.65)		(12,136.08)
	Adjusted for :				
	Depreciation & amortisation expense	3,000.38		3,074.97	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(451.58)		(18.91)	
	Finance costs	6,432.61		5,362.07	
	Provisions against current assets	1,147.36	10,128.77	2,440.81	10,858.94
	Operating Profit before Working Capital Changes		(2,457.88)		(1,277.14)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	1,134.88		943.33	
	(Increase)/decrease in trade receivables	(407.58)		2,964.13	
	(Increase)/decrease in other receivables	235.28		157.93	
	Increase/(decrease) in trade and other payables	2,027.44		(1,683.58)	
	Increase/(decrease) in provisions	35.53	3,025.55	0.66	2,382.46
	Cash Generated from Operations		567.67		1,105.32
	Taxes paid (net of refunds)		-		0.00
	Net Cash generated from operating activities		**567.67**		**1,105.32**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	393.08		(129.67)	
	Net Cash flow generated/(used in) Investing Activities		**393.08**		**(129.67)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	(53.67)		(284.89)	
	Advance against sale of subsidiary	-		279.19	
	Proceeds from Subsidiary	34.00		154.00	
	Payment of lease liability	(146.69)		(149.70)	
	Finance costs (net)	(814.93)		(610.45)	
	Net Cash flow (used in) in Financing Activities		**(981.29)**		**(611.85)**
	Net increase/decrease in Cash and Cash Equivalents (A+B+C)		**(20.54)**		**363.80**
	Cash and Cash Equivalents at the beginning of the year		1,187.62		823.82
	Cash and Cash Equivalents at the end of the year		**1,167.08**		**1,187.62**
	Components of cash and cash equivalents at the end of the year				
	- Cash on hand		4.93		4.47
	- Balance in current account and deposits with banks		1,162.15		1,183.15
	Cash and Cash Equivalents at the end of the year		**1,167.08**		**1,187.62**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2021	Cash Flows	Interest Accrued /Write back	As at March 31, 2022
Redeemable Non-Convertible Preference Shares	15,000.00			**15,000.00**
Redeemable Non-convertible Debentures	5,000.00			**5,000.00**
Long-term borrowings including current maturities of long-term debts	55,494.85	(436.86)	6,017.03	**61,075.02**
Lease liabilities (including current maturities of finance lease obligations)	31.08	(13.54)		**17.54**
Total liabilities from financing activities	**75,525.93**	**(450.40)**	**6,017.03**	**81,092.56**

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and compliance with Ind AS

a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

   The financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

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

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

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

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

Use of Estimates

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

2.2 Significant accounting policies

a. Property, Plant and Equipment (PPE)

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

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

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

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

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

Class of assets	Basis	Useful life/ rate of depreciation
Office equipment – mobile	SLM	2 years
Motor vehicles	SLM	4 years
Computer software	SLM	5 years
Showroom Building (civil)	SLM	10 years
Plant and machineries – Punch & Dies	SLM	2 years

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

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

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

b. Share-based payments

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

c. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

d. Inventories

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

e. Impairment of non-financial assets

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

f. Revenue recognition

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

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

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

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

g. Foreign currency transactions

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency. Transactions in foreign currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognized in 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 on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using exchange rates on dates of initial recognition.

h. Fair Value Measurement

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

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

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

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

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

i. Financial instruments

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

(a) Financial assets

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

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

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

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

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

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

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

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

iii. De-recognition

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

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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(b) Financial liabilities

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

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

- **Financial liabilities at amortized cost**

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

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

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

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

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

iii. De-recognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

j. Employee Benefits

i. Short term employee benefits

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

ii. Long term employee benefits

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

iii. Post-employment benefit plan

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

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

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

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

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

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

k. Provisions and Contingencies

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

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

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

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

l. Taxes on Income

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

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

m. Finance Costs

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

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized/inventoried as part of cost of such asset till

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

n. Segment reporting

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

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

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

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

o. Earnings per share

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

p. Cash flow statement

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

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

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

and

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

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

q. COVID-19 Assessment

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of plant and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2022. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic condition.

r. Investment in Subsidiaries

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

s. Contract with GAIL (India) Limited

The Company as a buyer entered into Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of above agreement, it's an obligation on company to pay for the quantity not taken / consumed as per Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if lockout continues for a period of at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performance of its obligations under this agreement, except those specifically provided herein. The Company has received waiver letter for the period ending December 2021 exempting Take or Pay claim. Accordingly based on the provisions of Force Majeure clause and waiver letter, the Company does not expect any cash outflow

3. Application of Indian Accounting Standards (Ind AS)

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

a. Current versus non-current classification

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

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

b. Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars Useful lives

Plant and machinery 7, 10 and 18 years

Fit-out and other assets at sales outlets 5 years

Roads 30 and 60 years

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

d. De-recognition

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

e. Intangible Assets

Measurement and recognition

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

De-recognition

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

f. Research and development costs

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

g. Borrowing costs

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

h. Impairment of non-financial assets

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

4. Significant accounting judgements, estimates and assumptions

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

5. Judgements

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

6. Contingencies

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

7. Estimates and assumptions

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

8. Reclassifications consequent to amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24th March, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1st April, 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	31st March, 2021 (as previously reported)	Increase / (Decrease)	31st March, 2021(restated)
Current Borrowings	-	29,803.38	29,803.38
Other Current Financial Liabilities	31,642.67	(29,803.38)	1,839.29

We have changed the classification of Current maturities of Debt from Other Current Financial Liabilities to Current Borrowings.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. **Property, Plant and Equipment**
Fixed Asset Schedule for the Year ending March 31, 2022

(Rs In Lakh)

Particulars	Freehold Land	Lease Hold land	Buildings	Office Equipment's	Plant & Equipment	Electrical Installations	Furniture & Fixture	Windmill	Vehicles (Finance Lease)	Total Assets
Cost										
As at April 1, 2020	**6,003.57**	**145.66**	**19,931.82**	**1,156.14**	**55,698.64**	**1,091.01**	**2,814.37**	**3,680.54**	**783.50**	**91,305.25**
Additions	-	132.72	7.03	12.60	18.07	15.67	52.22	-	0.59	238.90
Disposals	-	-	-	17.10	10.50	13.18	29.90	-	120.66	191.34
As at March 31, 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**
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**
Depreciation										
As at April 1, 2020	**-**	**18.05**	**10,230.52**	**1,056.20**	**31,748.98**	**1,009.56**	**2,353.68**	**2,495.15**	**705.74**	**49,617.88**
Depreciation charge for the year	-	4.33	603.02	32.94	2,010.63	24.34	65.32	151.36	23.66	2,915.60
Disposals	-	-	-	17.11	9.98	13.18	26.26	-	117.40	183.93
As at March 31, 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**
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**
Net Book Value:										
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**
As at March 31, 2021	**6,003.57**	**256.00**	**9,105.31**	**79.61**	**21,956.58**	**72.78**	**443.95**	**1,034.03**	**51.43**	**39,003.26**

Notes:

1. Property , plant and equipment pledged as security, refer to note 17 .1 for information on property , plant and equipment pledged as security by the company
2. Lease hold land of Rs 132.72 lacs capitalised in FY 20-21, pertains to expenses incurred on lease hold land situated at Nitco Limited - Business Park, Wagle Industrial Estate, Road No.16, Thane - 400604

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3 The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except for one immoveable property which amounts to gross block of Rs.278.38 Lakh and net block of Rs.249.82 Lakh whose title deed is not held in the name of the Company.

Description of property	Gross carrying value (Rs. in lakhs)	Held in name of	Whether promoter, director or their relative or employee of	Period held	Reason for not being held in name of company
Land as Plot No. F-6/3 in the Thane Industrial Estate admeasuring 4144 sq. mtrs	249.82/-	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 merge with Nitco tile Ltd (NTL) Refer HC petition no 797 of 2001

3.1 CAPITAL WORK -IN-PROGRESS

	As at 31-Mar-22	As at 31-Mar-21
Capital work-in-progress	260.67	310.76
Total Capital work-in-progress	260.67	310.76

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

(Rs In Lakh)

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 2022)	16.00	-	-	244.67	260.67
	(31st March 2021)	-	36.17	11.31	263.28	310.76
Total Capital work-in-progress	(31st March 2022)	16.00	-	-	244.67	260.67
	(31st March 2021)	-	36.17	11.31	263.28	310.76

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, 2022 and March 31, 2021 :

(Rs In Lakh)

Particular		To be completed in				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Digital Showroom	(31st March 2022)	-	244.67	-	-	244.67
SAP - S4 Hana	(31st March 2022)	16.00	-	-	-	16.00
	(31st March 2021)	66.09	-	244.67	-	310.76

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3A. Leases

I As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2022.

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

(c) Practical expedients applied :

Company has used the practical expedients permitted by the standard:

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

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% with maturity between 2022-25.

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	2	-
Office	1	1 to 7 years
Showroom	2	1 to 4 years

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

The balance sheet shows the following amounts relating to leases:

(Rs. In Lakh)

	Right-of-use assets
Balance as at 1 April 2021	208.66
Reclassification from Property, Plant and Equipment	-
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 2020	-
Reclassification from Property, Plant and Equipment	-
Add: Additions	346.32
Less: Depreciation charged on the right-of-use assets	137.67
Balance as at 31 March 2021	**208.66**

(g) Lease payments not recognised as lease liabilities:

(Rs. In Lakh)

	Year ended at March 31, 2022	Year ended at March 31, 2021
Expenses relating to short term leases (included in other expenses)	15.97	34.38
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	175.41	183.32
Total	**191.38**	**217.70**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(h) The total cash outflow for leases for the year ended 31 March 2022 was Rs 162.37 lakhs

(i) Future minimum lease payments as on 31 March 2022 are as follows:

(Rs. In Lakh)

Minimum lease payments due	As at March 31, 2022	As at March 31, 2021
Within 1 year	57.41	162.36
1 - 2 years	27.6	57.41
2 - 3 years	9.2	27.60
3 - 4 years	-	9.20

(Rs. In Lakh)

II

As a Lessor	As at March 31, 2022	As at March 31, 2021
a) Amounts recognized in statement of profit and loss	13.39	19.32
Operating Lease Income	**13.39**	**19.32**

4. Intangible assets (Computer Software)

(Rs. in Lakh)

	Amount
Cost	
As at April 1, 2020	**433.76**
Additions	-
Disposals	-
As at March 31, 2021	**433.76**
Additions	-
Disposals	-
As at March 31, 2022	**433.76**
Amortisation	
As at April 1, 2020	**424.09**
Amortisation charge for the year	9.67
Disposals	-
As at March 31, 2021	**433.76**
Amortisation charge for the year	-
Disposals	-
As at March 31, 2022	**433.76**
Net book value :	
As at March 31, 2022	**-**
As at March 31, 2021	**-**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

5. Investments

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Investments in subsidiaries		
(a) Investments in equity shares (unquoted)		
Nitco Realities Private Limited:		
2,00,000 Equity shares of Rs.1 each fully paid up	694.59	694.59
New Vardhman Vitrified Private Limited:		
1,27,50,000 Equity shares of Rs.10 each fully paid up	1,561.35	1,561.35
Less : Provision for diminution in the value of investment (Refer note below)	1,561.35	1,561.35
Total	**694.59**	**694.59**
(b) Investments in preference shares (unquoted)		
New Vardhman Vitrified Private Limited:		
47,87,763 Equity shares of Rs.10 each fully paid up	478.78	478.78
Less : Provision for diminution in the value of investment (Refer note below)	478.78	478.78
Total	**-**	**-**
Aggregate value of unquoted investments	**694.59**	**694.59**

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.

6. Other financial assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balances with Banks - Held as Margin Money #	2,309.97	2,303.26
Security Deposits	1,109.65	1,101.67
Total	**3,419.62**	**3,404.93**

Margin money with banks is given for Bank Guarantees

7. Other non-current assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Income Tax Payment (Net)	404.71	330.18
Capital Advances*	995.99	995.99
Prepaid Lease rental	131.51	175.31
Total	**1,532.21**	**1,501.48**

* Capital advances to Saumya Buildcon is expected to be recovered during FY2023

8. Inventories

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	369.01	540.56
Finished Goods	4,762.35	5,845.25
Stock in trade	1,128.34	1,250.12
Stores and spares	101.18	213.69
Total	**6,360.88**	**7,849.62**

During the year inventory is written down on account of slow moving, non-moving and old inventory by Rs. 353.86 lakhs (previous year 541.97 lakhs) .
During the year old inventory is written off by Rs. 172.24 lakhs.

9. Inventories – Real Estate

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Land at Kanjurmarg	15,000.00	15,000.00
Total	**15,000.00**	**15,000.00**

10. Trade receivables

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade Receivable considered good - Unsecured	15,035.82	14,628.24
Less : Allowance for expected credit loss	5,380.82	4,712.99
Trade Receivable considered good - Unsecured	**9,655.00**	**9,915.25**
Trade Receivable credit impaired - Unsecured	25.16	28.88
Less : Allowance for credit impairment	25.16	28.88
Trade Receivable credit impaired - Unsecured	**-**	**-**
Total trade receivables	**9,655.00**	**9,915.25**

Trade receivables aging schedule for the year ended as on March 31,2022 and March 21 2021 :

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 2022)	3,726.34	5,097.98	244.34	612.19	1,283.15	4,071.82	15,035.82
	(31st March 2021)	3,139.16	5,007.41	343.39	1,887.75	2,183.31	2,067.23	14,628.24
Undisputed Trade receivables - Credit impaired	(31st March 2022)	-	-		-	-	25.16	25.16
	(31st March 2021)	-	-		-	-	28.88	28.88
Disputed Trade receivables - Considered good	(31st March 2022)	-	-		-	-	-	-
	(31st March 2021)	-	-		-	-	-	-
Disputed Trade receivables - Credit impaired	(31st March 2022)	-	-	-	-	-	-	-
	(31st March 2021)	-	-	-	-	-	-	-
	(31st March 2022)	**3,726.34**	**5,097.98**	**244.34**	**612.19**	**1,283.15**	**4,071.82**	**15,035.82**
	(31st March 2021)	**3,139.16**	**5,007.41**	**343.39**	**1,887.75**	**2,183.31**	**2,067.23**	**14,628.24**
Less : Allowance for credit loss	(31st March 2022)							5,380.82
	(31st March 2021)							4,712.99
Total Trade Receivables	(31st March 2022)							9,655.00
	(31st March 2021)							9,915.25

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

11. Cash and cash equivalents

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	1,162.15	1,183.15
Cash In hand	4.93	4.47
Total	**1,167.08**	**1,187.62**

12. Loans

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Loans to Related Parties - refer note 34 (C)		
Unsecured, Considered Good	7,712.18	7,746.18
Less: Impairment of non-current investment in subsidiary	(1,824.83)	(1,824.83)
Other Loans & Advances		
Unsecured, Considered Good	7.67	9.30
Total	**5,895.02**	**5,930.65**

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

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

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

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

(Rs. in Lakh)

	Loans Outstanding		Maximum amount outstanding during the year ended on	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Nitco Realties Pvt. Ltd.	5,885.10	5,919.10	5,919.10	6,073.10
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.	0.55	0.55	0.55	0.55

13. Other financial assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Others (Unsecured considered good unless otherwise stated)	36.84	21.77
Total	**36.84**	**21.77**

14. Other current assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balance with statutory authorities	3,071.55	3,344.23
Advances for supply of goods and rendering of services	450.05	572.12
Prepaid expenses/Other Receivables	104.20	229.14
Other Assets	149.64	147.43
Total	**3,775.44**	**4,292.92**

15. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Rs. in Lakh	Nos.	Rs. in Lakh
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 31st March 22

	As at 31 March 2022		As at 31 March 2021	
	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	7,18,58,955.00	7,185.90

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	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	1,71,59,617	23.88%	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.

D. Shareholding of promoter

Promoter name		No of Shares	% of total shares	% Change during the year
Vivek Prannath Talwar		63,23,669	8.8	-
Aurella Estates And Investments Pvt Ltd		2,56,76,949	35.73	
Promoter Group				
Rajeshwari Prannath Talwar		8,25,988	1.15	-
Anjali Vivek Talwar		5,43,146	0.76	-
Poonam Wasan		1,19,432	0.17	-
Lovraj Talwar		87,301	0.12	-
Sanjnaa Talwar		85,517	0.12	-
Vivek Talwar (HUF)		27,264	0.04	-
A N Talwar (HUF)		2,001	0	-
Watco Engineering Co. Pvt. Ltd		16,16,712	2.25	-
Nitco Paints Pvt. Ltd.		15,98,299	2.22	-
Rang Mandir Builders Pvt. Ltd.		2,80,269	0.39	-
Ushakiran Builders Pvt. Ltd.		2,09,417	0.29	-
Lavender Properties Pvt. Ltd.		2,08,072	0.29	-
Prakalp Proprties Pvt. Ltd.		1,75,785	0.24	-
Eden Garden Builders Pvt. Ltd.		1,56,951	0.22	-
Nitco Tiles And Marble Industries Andhra Pvt. Ltd.		85,517	0.12	-
Enjoy Builders Pvt. Ltd.		72,646	0.1	-
Northern India Tiles Corporation		2,240	0	-
Northern India Tiles (Sales) Corporation		1	0	-

16. Other equity

(Rs. in Lakh)

Particulars	Reserves and Surplus					Total Equity
	Capital Reserve	Share Premium Account	Capital Redemption Reserve	General Reserve	Retained Earnings / (Losses)	
Notes	(a)	(b)	(c)	(d)	(e)	
As at 1st April 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,391.85)**	**(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**	**(75,940.21)**	**(26,661.29)**
As at 1st April 2020	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(50,933.76)**	**(1,654.84)**
Net income / (loss) for the year	-	-	-	-	(12,512.59)	(12,512.59)
Other comprehensive income	-	-	-	-	54.50	54.50
As at 31 March 2021	**1,875.68**	**42,591.33**	**965.00**	**3,846.91**	**(63,391.85)**	**(14,112.93)**

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 Lakh)

	As at March 31, 2022	As at March 31, 2021
Redeemable Non-Convertible Preference Shares (refer Note-i)	15,000.00	15,000.00
Redeemable Non-convertible Debentures (refer Note-ii)	5,000.00	5,000.00
From Others	-	25,705.00
Long term maturities of finance lease	2.63	17.55
Total	**20,002.63**	**45,722.55**

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

ii. During FY 2017-18, the debt of the Company was restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans. The Company is negotiating a similar settlement agreement with other lender(s), Pending negotiations no further adjustments have been made.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

17.1 Interest and repayment schedule for secured long term borrowings

(Rs. in Lakh)

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 company
Term loans Facility 2 (secured)	-	33,089.16	33,089.16	30,000.00	9%	Repayable from the proceeds of sale of identified 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
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 ld 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 2028).	• 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**				

(Rs. in Lakh)

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	11.25%	24 structured quarterly installments 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. Loans from Lenders are secured against the mortgage of fixed assets of the Company, hypothecation of present and future stocks of raw materials, stock-in-process, finished goods , stock-in-trade, stores and spares, consumables, book debts and against collateral securities and personal guarantee given by promoters and related parties.

iii. As at 31.03.2022, the default in repayment of dues to JMFARC was 33,479 lakhs (including interest).

iv. Current maturities of long term debt of Previous year is Rs 29,803.38 Lakhs

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

18. Lease Liabilities

Non Current

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (refer note 3A)	33.93	69.88
Total	**33.93**	**69.88**

Current

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (refer note 3A)	51.63	162.37
Total	**51.63**	**162.37**

19. Provisions

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Provision for Leave Encashment	214.60	215.33
Total	**214.60**	**215.33**

20. Trade payables

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade payables		
- total outstanding dues of micro and small enterprises;	640.26	616.13
- total outstanding dues of creditors other than micro and small enterprises	13,588.22	11,961.73
Total	**14,228.48**	**12,577.86**

Trade Payable ageing schedule for the year ended as on 31st March 2022 and 31st March 2021

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 2022)	-	605.66	5.07	12.21	17.33	640.26
	(31st March 2021)	-	534.47	(11.87)	73.41	20.12	616.13
Others	(31st March 2022)	-	11,412.52	205.05	463.78	1,506.86	13,588.22
	(31st March 2021)	-	9,283.28	826.60	788.72	1,063.13	11,961.72
Total Trade Payable	(31st March 2022)	-	12,018.18	210.12	475.99	1,524.18	14,228.48
	(31st March 2021)	-	9,817.75	814.72	862.13	1,083.25	12,577.86

Notes:

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

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

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

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
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	640.26	616.13
- Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	143.69	965.37
Interest due and payable for the period of delay	39.56	28.99
Interest accrued and remaining unpaid	88.47	48.91
Amount of further interest remaining due and payable	-	-

21. Other financial liabilities

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Loans & Advances from related parties (Refer Note 34)	191.50	191.50
Deposits received	845.11	841.11
Other Advances	740.80	739.06
Amount payable to capital creditors	68.01	45.70
Interest accrued but not due on borrowings	21.92	21.92
Total	**1867.34**	**1,839.29**

22. Other current liabilities

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Other payable	5,766.87	5,518.33
Total	**5,766.87**	**5,518.33**

23. Provisions

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Provision for Leave Encashment	58.68	52.88
Provision for Gratuity	278.78	286.67
Total	**337.46**	**339.55**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

24. Revenue from operations

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products		
Tiles & Related products	40,345.04	32,323.31
Real estate	-	-
	40,345.04	**32,323.31**
Other operating revenues		
Labour charges	303.81	90.06
Lease rental	5.74	12.08
Other Operating income	212.66	82.30
	522.21	**184.44**
Total	**40,867.25**	**32,507.75**

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

(a) Disaggregation of revenue:

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

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Revenue from Sale of Tiles & Related Products	40,345.04	32,323.31
Revenue from Real Estate	-	-
	40,345.04	**32,323.31**
Revenue from Other Operating Revenue	522.21	184.44
Total	**40,867.25**	**32,507.75**

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

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Contract assets related to sale of goods		
Trade receivables	9,655	9,915
Contract liabilities related to sale of goods		
Advance from customers	-	-

(c) Significant changes in contract assets and liabilities:

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

25. Other income

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Rent Received	13.39	19.32
Miscellaneous income	241.76	220.11
Profit on sale of Fixed Assets	463.85	20.24
Applicable net gain/loss on foreign currency transactions and translation	25.64	-
Total	**744.64**	**259.67**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

26. Cost of materials consumed

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	1,132.81	1,680.86
Add: Purchases	2,541.89	1,588.54
	3,674.70	**3,269.40**
Less: Inventory at the end of the year	983.25	1,132.81
Raw Material Consumed	**2,691.45**	**2,136.59**
Packing Material	99.63	36.67
Cost of materials Consumed	**2,791.08**	**2,173.26**

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

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Stock in Trade - Opening	1,053.25	1,165.65
Stock in Trade - Closing	830.12	1,053.25
	223.13	**112.39**
Work in Progress - Opening	-	-
Work in Progress - Closing	-	-
	-	**-**
Finished Goods (Mfg.) - Opening	6,212.01	6,800.59
Finished Goods (Mfg.) - Closing	5,459.39	6,212.01
	752.62	**588.58**
Total Change in Inventories	**975.75**	**700.97**

28. Employee benefits expense

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	4,830.57	4,635.76
Contribution to provident and other funds (Refer Note 35a)	195.98	220.02
Gratuity (Refer Note 35 D)	85.49	82.69
Other Employee Costs	222.52	158.61
Total	**5,334.56**	**5,097.08**

29. Finance costs

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on debt and borrowings	6,354.18	5,295.46
Finance Cost on Lease Liability	15.68	24.19
Other financial charges	62.75	42.42
Total	**6,432.61**	**5,362.07**

JMFARC representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis. Based on the sanction received from JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation, no further adjustments have been made.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

30. Depreciation and amortisation expense

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	2,862.71	2,915.60
Amortisation of intangible Assets (refer note 4)	-	9.67
Depreciation on Right-of-use Assets (refer Note 3A)	137.67	149.70
Total	**3,000.38**	**3,074.97**

31. Other expenses

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Other Manufacturing Expenses		
*Power and fuel	151.78	144.12
Consumption of stores and spare parts	243.89	87.48
	395.67	**231.60**
Repairs and Maintenance		
Buildings	0.38	0.25
Machinery	11.88	15.53
Others Repairs & Maintenance	147.88	117.41
	160.14	**133.19**
Administrative Expenses		
Rent Rates and Taxes	619.40	341.72
Electricity Charges Office & Depot	109.01	99.33
Processing Charges Mosaico/Marble	102.56	54.43
Water Charges	8.91	6.23
Postage and Telephone	114.82	115.11
Printing and Stationery	21.01	11.16
Insurance	52.29	49.29
Legal and Professional Fees	286.06	244.52
Travelling & Conveyance Expenses	601.00	449.32
Audit Fees	15.10	19.00
Hire Charges	43.40	40.82
Security Charges	133.78	122.83
Applicable net gain/loss on foreign currency transactions and translation	-	140.83
Provision for Advance	247.02	187.84
Miscellaneous Expenses	376.77	321.15
	2,731.13	**2,203.58**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	915.26	770.45
Freight Forwarding & Distribution Expenses	1,785.97	1,179.59

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
C&F Charges	73.18	86.97
Provision for Doubtful Debts	667.96	1,602.69
Bad Debts	25.16	83.01
	3,467.53	**3,722.71**
Total	**6,754.47**	**6,291.08**

* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2021-22, the company has sold power to MSEDCL amounting to Rs 255.03 lakhs (previous year Rs. 200.11 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. Components of other comprehensive income (OCI)

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

During the year ended 31 March 2022

(Rs. in Lakh)

	Retained Earnings	Total
Re-measurement gains (losses) on defined benefit plans	38.29	38.29
Income tax effect	-	-
Total	**38.29**	**38.29**

During the year ended 31 March 2021

(Rs. in Lakh)

	Retained Earnings	Total
Re-measurement gains (losses) on defined benefit plans	54.50	54.50
Income tax effect	-	-
Total	**54.50**	**54.50**

33. Earnings per share (EPS)

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) for the year (Rs.)	(12,548.36)	(12,458.09)
Equity shares at the beginning of the year (nos.)	718.59	718.59
Equity shares issued during the year	-	-
Equity shares at the end of the year (nos.)	718.59	718.59
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	718.59	718.59
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	718.59	718.59
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(17.46)	(17.34)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(17.46)	(17.34)

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

(A) List of related parties

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

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at March 31, 2022	As at March 31, 2021
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd. [Subsidiary only till 10.12.2020]	India	NA	NA
Nitco Realties Private Limited	India	100	100
Fellow Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100
Quick Innovationlab Pvt. Ltd.	India	100	100

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

Entity/Person having significant influence over the Company

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar – Chairman & Managing Director

Key Management Personnel (KMP)

Mr. Vivek Talwar – Chairman & Managing Director

Mr. Sharath Padmanabh Bolar (Upto October 18,2021)

Mrs. Bharti Pradeep Dhar

Mr. Siddharth Pradip Kothari (Upto July 14, 2021)

Vivek Grover -Nominee Director of JMFARC

Rakesh Kashimpuria -Nominee Director of JMFARC

Manish Puri (w.e.f August 7,2021)

Prakash Iyer (w.e.f December 31, 2021)

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 Trading LLP

IB Hospitality Pvt. Ltd.

Glamorous Properties Pvt. Ltd.

Watco Trading Pvt. Ltd.

Watco Engineering Pvt. Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

Nitco Paints Pvt.Ltd.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(B) Transactions with related parties:

Transactions	Year ended 31 March 2022					Year ended 31 March 2021				
	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
Other Expenses										
IB Hospitality Pvt Ltd	-	-	9.77		**9.77**	-	-	4.96		**4.96**
Directors Sitting Fees										
Rakesh Kashimpuria*	-	1.50	-		**1.50**	-	0.90	-		**0.90**
Manish Puri	-	1.15	-		**1.15**	-	-	-		**-**
Sharath Padmanabh Bolar	-	1.30	-		**1.30**	-	2.50	-		**2.50**
Bharti Pradeep Dhar	-	2.45	-		**2.45**	-	2.50	-		**2.50**
Siddharth Pradip Kothari	-	0.50	-		**0.50**	-	2.45	-		**2.45**
Vivek Grover*	-	1.50	-		**1.50**	-	1.50	-		**1.50**
Prakash Iyer	-	0.55			**0.55**	-	-	-		**-**
Samir Chawla*	-	-	-		**-**	-	0.60	-		**0.60**
Loans & Advances (Received), Paid and Adjusted										
Nitco Realties Pvt. Ltd.	(34.00)	-	-		**(34.00)**	(154.00)	-	-		**(154.00)**
Impairment of Loans & Advances										
New Vardhman Vitrified Pvt. Ltd.	-	-	-		**-**	32.86	-	-		**32.86**

*Sitting fees of Nominee Directors i.e. Mr. Vivek Grover, Mr. Samir Chawla & 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 2022					Year ended 31 March 2021				
	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post employment benefit plan	Total	Subsidiaries	Key Management Personnel	Entities where control/ significant influence by KMPs and their relative exist	Post employment benefit plan	Total
Amount Receivable/(Payable)										
Nitco Realties Private Limited	5,885.10	-	-		**5,885.10**	5,919.10	-	-	-	**5,919.10**
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	0.55	-	-		**0.55**	0.55	-	-	-	**0.55**
Saumya Buildcon Private Limited	-	-	NA		**NA**	-	-	995.99		**995.99**
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 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 Trading LLP	-	-	(225.51)		**(225.51)**	-	-	(225.51)		**(225.51)**
IB Hospitality Private Limited	-	-	-		**-**	-	-	(0.81)		**(0.81)**
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 Tiles & Marble Industries (Andhra) Private Limited	-	-	1.00		**1.00**	-	-	1.00		**1.00**
Nitco Sales Corporation Delhi	-	-	(0.02)		**(0.02)**	-	-	(0.02)		**(0.02)**
Nitco Tiles Sales Corporation	-	-	(0.23)		**(0.23)**	-	-	(0.23)		**(0.23)**
Northern India Tiles Sales Corporation	-	-	(1.73)		**(1.73)**	-	-	(1.73)		**(1.73)**
Poonam Talwar	-	-	9.19		**9.19**	-	-	9.19		**9.19**
Guarantee Received										
Promoter Group		79,187.75	-		**79,187.75**		73,521.40			**73,521.40**
Subsidiary companies	79,187.75	-	-		**79,187.75**	73,521.40	-	-		**73,521.40**
Investment										
Nitco Realties Private Limited	694.59	-	-		**694.59**	694.59	-	-		**694.59**
New Vardhman Vitrified Private Limited #	-	-	-		**-**	-	-	-		**-**

As at 31st March, 2022 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, 2022

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.195.98 Lakh for the year ended 31st March 2022 (31st March 2021 Rs. 220.02 Lakh) [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, 2022 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 Lakh)

	March 31, 2022	March 31, 2021
Defined benefit obligation at the beginning of the year	757.16	858.55
Current Service Cost	67.88	68.23
Interest Expense or Cost	46.53	48.04
Benefits paid	(67.85)	(163.17)
Actuarial (gain)/ loss	(38.29)	(54.50)
Defined benefit obligation at the end of the year	**765.43**	**757.16**

B. Movements in the fair value of plan assets

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	470.49	600.08
Investment income	28.92	33.58
Contribution by employer	55.03	-
Benefits paid	(67.85)	(163.17)
Expected Interest Income on plan assets	-	-
Fair value of plan assets at the end of the year	**486.59**	**470.49**

C. Amount recognized in the balance sheet

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Fair value of plan assets	765.42	757.16
Defined benefit obligation	486.58	470.49
Net Asset/ (Liability) recognised in the Balance Sheet	(278.84)	(286.67)
Amount recognised in the Balance Sheet	**(278.84)**	**(286.67)**

D. Amount recognised in Statement of Profit and Loss

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Current service cost	67.88	68.23
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	17.61	14.46
Amount recognised in Statement of Profit and Loss	**85.49**	**82.69**

E. Amount recognised in Other Comprehensive Income:

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Actuarial changes arising from changes in demographic assumptions	(0.13)	2.32
Actuarial changes arising from changes in financial assumptions	(5.72)	13.47
Experience adjustments	(32.44)	(70.29)
Amount recognised in Other Comprehensive Income	**(38.29)**	**(54.50)**

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

	March 31, 2022	March 31, 2021
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:

	March 31, 2022	March 31, 2021
Discount rate (per annum)	6.30%	6.15%
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 2022 is as shown below:

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Defined Benefit Obligation (Base)	765.42	757.16

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	802.81	731.21	797.86	720.16
(% change compared to base due to sensitivity)	4.90%	-4.50%	5.40%	-4.90%
Salary Growth Rate (- / + 1%)	731.43	801.77	720.63	796.39
(% change compared to base due to sensitivity)	-4.40%	4.70%	-4.80%	5.20%
Attrition Rate (- / + 50% of attrition rates)	765.03	763.80	759.07	753.91
(% change compared to base due to sensitivity)	0.10%	-0.20%	0.30%	-0.40%
Mortality Rate (- / + 10% of mortality rates)	765.40	765.45	757.14	757.18
(% 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 Lakh)

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	189.60	167.59
Between 2 and 5 years	377.68	360.24
Between 6 and 10 years	309.74	311.85
Beyond 10 years	192.31	246.29

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

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

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

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

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

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

A. Business Segment:

(Rs. in Lakh)

			As at March 31, 2022	As at March 31, 2021
Net sales / Income from operations				
- Tiles and other related products			40,861.51	32,495.67
- Real estate			5.74	12.08
Total Revenue			**40,867.25**	**32,507.75**
Segment results				
- Tiles and other related products			(6,030.66)	(6,659.42)
- Real estate			(123.38)	(114.59)
Total Segment Profit/(Loss)			**(6,154.04)**	**(6,774.01)**
- Interest and other financial cost			6,432.61	5,362.07
- Exceptional items			-	-
Profit /(Loss) Before Tax			**(12,586.65)**	**(12,136.08)**
Provision for current tax/ Deferred Tax			-	376.51
Profit /(Loss) After Tax			**(12,586.65)**	**(12,512.59)**

Capital Employed

(Rs. in Lakh)

	Segment Asset		Segment Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
- Tiles and other related products	60,732.47	65,993.42	22,056.34	20,121.16
- Real estate	22,979.26	22,997.91	173.61	104.21
- Unallocated/ Corporate	405.75	330.18	-	-
Total	**84,117.48**	**89,321.51**	**22,229.95**	**20,225.37**

B. **Geographical Segment:**

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

(Rs. in Lakh)

	India		Rest of the world		Total	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue	34,856.19	26,308.75	6,011.06	6,199.00	40,867.25	32,507.75
Carrying cost of Segment assets	84,117.50	88,529.86	-	776.90	84,117.50	89,306.76
Addition of fixed assets and tangible assets	108.75	238.90	-	-	108.75	238.90

37. **Share based payments**

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the shareholders of the Company on 30th March, 2019. The scheme entitles employees of the group to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco limited Employee Stock Option Plan
Exercise Price	Rs. 39.55
Vesting conditions	2,78,000 options 12 months after the grant date ('First vesting')
	2,78,000 options 24 months after the grant date ('Second vesting')
	2,78,000 options 36 months after the grant date ('Third vesting')
	2,78,000 options 48 months after the grant date ('Fourth vesting')
Exercise period	Stock options can be exercised within a period of 4 years from grant
Number of share options granted	No share options granted during FY: 2021-22
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 2020	11,12,000	-
Granted during the year	-	-
Forfeited during the year	6,50,000	39.55
Exercised during the year	-	-
At 31 March 2021	**4,62,000**	**39.55**
Exercisable as at 31 March 2021	1,15,500	-
At 1 April 2021	4,62,000	
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
Weighted average remaining contractual life (in years)	2.32	

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Grant Date	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 July 2023	11 March 2024
Expiry Date			
Fair value of option at grant date	38.90	31.75	16.30
Exercise price	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	2.32	2.32	2.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

38. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31 March 2022 are Rs.42.25 Lakh (31 March 2021 - Rs. 6.33 Lakh).

(b) Contingent Liabilities

(Rs. in Lakh)

		As at March 31, 2022	As at March 31, 2021
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	4,603.17	4,297.75
c)	Legal matters	241.69	124.80
d)	Estimated amount of interest on loan which is not provided in the books	2,428.22	2,217.00
	(refer note v below)		

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly 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 held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of Rs. 5,105.88 Lakh in this regard. The company has filed a writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March,2018. However same was confirmed as interim relief by order dated 09th September, 2019

iv. Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to Rs. 40,560.23 Lakh in the FY 2017-18 & Rs. 14,032.15 lakhs in FY 2019-20. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company.The company has defaulted in term loan payment of JMFARC of Rs 33,479 lakhs and as such JMFARC can now exercise its right to revoke any time. Management has however not provided for the waiver of Rs 54,592.38 Lakhs granted by JMFARC as the company has not yet received any notice from JMFARC.

v. Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility

principal amount outstanding Rs. 18.87 crore as on 31.03.2022 on terms similar to restructuring done by JMFARC. Pending negotiations with LIC, the provision for interest amounting to Rs 24.28 crore is considered as Contingent in nature.

vi. On 27th January, 2020 lock out was declared at tiles manufacturing unit at Alibaug for a temporary period. The lock out was necessitated due to non-co-operation, coercive and threatening tactics by workmen at the factory premises and with a view to safeguard the interest of the organisation, the safety and security of the personnel and the property of the Company. The Conciliation meetings/proceedings are in progress at the Additional Labour Commissioner's office, Raigad. Further, the negotiation with labour unions is ongoing and the settlement amount is not yet finalized . Therefore, no provision for the same has been made in the financial.

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 Lakh)

		As at March 31, 2022	As at March 31, 2021
Debt#	A	81,092.56	75,524.18
Cash & cash equivalent	B	1,167.08	1,187.62
Net Debt	C=(A-B)	79,925.48	74,336.56
Equity	D	(19,475.39)	(6,927.03)
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 21 and also includes interest accrued but not due on borrowings. Adverse capital gearing ratio reflects increase in equity on account of losses earned during the year.

40. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 11)	1,167.08	1,167.08	1,187.62	1,187.62
Trade Receivables (Refer Note 10)	9,655.00	9,655.00	9,915.25	9,915.25
Loans (Refer Note 12)	5,895.02	5,895.02	5,930.65	5,930.65
Other Financial Assets (Refer Note 13)	36.84	36.84	7.01	7.01
Total	**16,753.94**	**16,753.94**	**17,040.53**	**17,040.53**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at fair value through Statement of Profit and Loss	-	-	-	-
Investments	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:				
Trade Payables (Refer note 20)	14,228.48	14,228.48	12,577.86	12,577.86
Other Financial Liabilities (Refer Note 21)	1,867.34	1,867.34	1,839.29	1,839.29
Borrowings (Refer Note 17)	81,092.56	81,092.56	75,524.18	75,524.18
Total	**97,188.38**	**97,188.38**	**89,941.33**	**89,941.33**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil

41. Financial risk management objectives

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

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

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

i. Foreign currency risk:

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

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

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Amount in foreign currency	Amount in Rs	Amount in foreign currency	Amount in Rs
Foreign trade payables				
AED	1.01	21.52	1.01	20.10
USD	0.36	27.96	6.73	492.59
Borrowing	-	-	0.62	45.11
Foreign trade receivables				
EUR	0.58	48.04	1.05	89.84
USD	6.13	456.74	6.78	496.57

	% Change in foreign currency rate	Effect on profit /(Loss) before tax			
		USD	EUR	AED	Total
As at 31 March 2022	5%	21.48	2.40	(1.08)	22.80
	-5%	(21.48)	(2.40)	1.08	(22.80)
As at 31 March 2021	5%	(2.06)	4.49	(1.00)	1.43
	(5%)	2.06	(4.49)	1.00	(1.43)

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 Lakh)

	As at March 31, 2022	As at March 31, 2021
Fixed Rate Borrowings	81,092.56	75,439.74
Floating Rate Borrowings	-	86.19
Total Borrowing	**81,092.56**	**75,525.93**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended March 31, 2022 would decrease/increase by NIL (for the year ended March 31, 2021: decrease/increase by Rs. 0.43 lakhs)

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 Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	3,335.64	2,743.71
Other trade receivables	6,319.36	7,171.54
	9,655.00	**9,915.25**

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2022 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 unrelating parties is minimised as the Company deals only with reputed parties. Cash and cash equivalents are held with reputable and credit-worthy banks.

iv. Liquidity risk

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

Liquidity table:

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

(Rs. in Lakh)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total
As at 31-Mar-22						
Borrowings	-	61,089.93	2.63	-	20,000.00	81,092.56
Trade payables	-	14,228.48	-	-	-	14,228.48
Other financial liabilities	845.11	1,022.23				1,867.34
Total	**845.11**	**76,340.64**	**2.63**	**-**	**20,000.00**	**97,188.38**
As at 31-Mar-21						
Borrowings	-	29,803.38	25,722.55	-	20,000.00	75,525.93
Trade payables	-	12,577.86	-	-	-	12,577.86
Other financial liabilities	841.11	998.18	-	-	-	1,839.29
Total	**841.11**	**43,379.42**	**25,722.55**	**-**	**20,000.00**	**89,943.08**

42. Details of significant changes in key financial ratios

S. no	Ratio Analysis	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance
1	Current Ratio	Current Assets	Current Liabilities	0.50	0.88	-42.9%
2	Debt Equity Ratio	Total Liabilities	Shareholder's Equity	-4.16	-10.91	-61.8%
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	(5.15)	(8.36)	-38.4%
4	Return on Equity Ratio	Profit for the period	Avg. Shareholders Equity	0.95	17.85	-94.7%
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	2.97	2.08	42.6%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.76	2.02	36.5%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.08	2.44	26.1%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(0.99)	(5.38)	-81.7%
9	Net Profit Ratio	Net Profit	Net Sales	(0.31)	(0.38)	-20.0%
10	Return on Capital employed	EBIT	Capital Employed	(0.10)	(0.10)	-4.2%

Current Ratio: Deterioration on account of increase in current maturity of long term debts.

Debt Equity Ratio: Deterioration on account of accumulation of current year net loss in equity.

Debt Service Coverage Ratio: Deterioration on account of decrease in net operating income.

Return on Equity Ratio: Deterioration on account of net losses during the financial year 2021-22

Inventory Turnover Ratio: Improvement on account of growth in revenue and inventory optimisation.

Trade Receivables Turnover Ratio: Improvement on account of growth in revenue, faster collection and impact of Covid-19 pandemic in the base year.

Trade Payables Turnover Ratio: Improvement on account of operational efficiency.

Net Capital Turnover Ratio: Deterioration on account of increase in current maturity of long term debts.

43. Exceptional items

A. The Company's debt was restructured in FY 2018. Pursuant to the restructuring agreement the balance amount of unsustainable debt amounting to Rs. 14,032.15 lakhs has been written back in FY2020.

B. As on 31st March 2020, management has considered that the losses suffered by New Vardhman Vitrified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the investment & loans given to subsidiary. Accordingly management has estimated a provision of Rs. 3,832.11 lakhs as a diminution in the carrying value of its investment and loans. Decision of the management is mainly based on existing market conditions. Management has also recognized impairment in certain categories of financial and non-financial assets aggregating to Rs. 6,987.12 lakhs

44. 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. 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 either repayable on demand or without specifying any terms or period of repayment during the year. However, the company has given loan to NRPL which is repayable on demand and without specifying any terms or period of repayment in previous years. The balance as at the year-end of such loan is as under:

Description	All Parties	Promoters	Related parties
The aggregate amount of loans/ advances in nature of loans	-	-	-
Repayable on demand (A)	-	-	-
The agreement does not specify any terms or period of repayment (B)	-	-	-
There is no agreement (C)	10,03,66,213	9,19,098	58,88,34,539
Total (A+B+C)	10,03,66,213	9,19,098	58,88,34,539
Percentage of loans/ advances in nature of loans to the total loans	14.54%	0.13%	85.33%

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. None of the companies in the Company have 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.

NOTES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

VIII. The Company has not entered into any scheme of arrangement which has an accounting impact on current and previous year.

IX. During the year no funds raised on short-term basis have been used for long-term purposes by the Company.

X. The Company has complied with the number of layers prescribed under the Companies Act, 2013

XI. There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

46. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 26th May, 2022

47. 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 Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

INDEPENDENT AUDITORS REPORT

To the Members of NITCO Limited

Report on the Audit of the Consolidated IND As Financial Statements

Opinion

We have audited the accompanying consolidated IND AS financial statements of NITCO Limited (the Company) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"); which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to the following points due to which material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

i. The Company has been continuously making operating losses. During the current financial year ended 31st march 2022 company incurred a net loss of Rs.125.87 crores (Rs. 121.36 crore in financial year ended 31st March 2021) thereby resulting in a negative net worth of Rs.194.75 crores.

ii. The Company has defaulted in repayment of loan and interest from JMFARC amounting to Rs.334.79 crores.

iii. Under the restructuring agreement JMFARC has the right to revoke in the case of default, the waiver of Rs 546 cr and all the reliefs and concessions granted to the company. As informed by the company they have not yet received any notice from JMFARC.

Having regard to the totality of the facts and circumstances stated above, it is our considered opinion that the company will be able to continue as a going concern only if it is able to restructure or repay its loan from JFMARC , servicing its debts on the due date and raise required funds .

Our opinion about the financial statements for the year under review is not modified in respect of this matter.

Emphasis of Matters.

a. Refer Note 38(b)(v) ,Company has not provided for interest on the outstanding loan of LIC of Rs 18.87 cr as they are hopeful of its restructuring same in line of JMFARC.

b. Refer Note no 38(b)(ii), Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 170 crore 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.

c. Refer Note no 38(b)(iii), Revenue Department has raised a demand of Rs 51.08 crore . No provision for the demand is made in the books as company has received interim relief against the order from Bombay High Court.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated Financial Results include the audited Financial Results of Fourteen subsidiaries, whose Financial Results/ financial information reflect Group's share of total assets of Rs. 9563.10 lakhs as at 31.3.2022, Group's share of total revenue of Rs 196.57 lakhs and Group's share of total net profit/(loss) after tax of Rs. 27.52, total comprehensive income /loss of Rs Nil as considered in the consolidated Financial Results. These audited Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities is based solely on such audited Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Results / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 (b) to the standalone Ind AS financial statements;

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Kishore Rane
Partner
M.No : 100788
Place : Mumbai
Date : 11th June 2022

List of Subsidiary Companies included in the Consolidated Financial Statement :

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (f) under 'Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **NITCO LIMITED** ("the Holding Company") as of 31 March 2022, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Kishore Rane
Partner
M.No : 100788
Place : Mumbai
Date : 26th May 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	36,367.39	39,111.29
Capital work-in-progress	**3.1**	439.84	477.93
Right-of-use Assets	**3A**	70.99	208.66
Goodwill on Consolidation	**4**	323.77	323.77
Financial Assets			
Other Financial Assets	**5**	3,419.62	3,404.93
Other non-current assets	**6**	1,532.21	1,501.48
		42,153.82	**45,028.06**
Current assets			
Inventories	**7**	6,363.01	7,853.02
Inventories – Real Estate	**8**	18,734.30	18,734.30
Financial assets			
Trade receivables	**9**	9,661.36	9,971.53
Cash and cash equivalents	**10**	1,244.00	1,270.77
Loans	**11**	2,023.00	2,041.52
Other financial assets	**12**	36.84	21.77
Other current assets	**13**	3,798.08	4,311.71
Asset/ Disposal Group held for sale		3,084.24	3,084.24
		44,944.83	**47,288.86**
Total Assets		**87,098.65**	**92,316.92**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**14**	7,185.90	7,185.90
Other equity	**15**	(27,018.32)	(14,443.26)
Non-Controlling Interest		(1,724.32)	(1,723.50)
		(21,556.74)	**(8,980.86)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	**16**	20,002.63	45,722.55
Lease Liabilities	**17**	33.93	69.88
Provisions	**18**	214.60	215.33
Deferred tax liabilities	**19**	-	-
		20,251.16	**46,007.76**
Current liabilities			
Financial liabilities			
Borrowings		61,089.93	29,803.38
Trade payables	**20**		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		640.26	616.13
- Total outstanding dues of creditors other than micro enterprises and small enterprises		13,644.61	12,021.45
Lease Liabilities	**17**	51.63	162.37
Other financial liabilities	**21**	2,083.63	2047.36
Other current liabilities	**22**	5,862.83	5,606.08
Provisions	**23**	339.64	341.55
Liability/ Disposal Group held for sale		4,691.70	4,691.70
		88,404.23	**55,290.02**
Total Equity and Liabilities		**87,098.65**	**92,316.92**

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

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue From Operations	**24**	41,061.29	32,695.95
Other Income	**25**	747.18	312.43
Total Income		**41,808.47**	**33,008.38**
EXPENSES			
Cost of materials consumed	**26**	2,960.24	2,329.76
Purchase of stock-in-trade		28,909.69	22,204.07
Changes in inventories of finished goods, stock in trade and work-in-progress	**27**	975.75	700.97
Employee benefits expense	**28**	5,334.56	5,097.08
Finance costs	**29**	6,432.61	5,362.07
Depreciation and amortisation expense	**30**	3,000.37	3,074.97
Other expenses	**31**	6,809.20	7,231.16
Total Expenses		**54,422.42**	**46,000.08**
Profit /(Loss) from continuing operations before tax before exceptional items		**(12,613.95)**	**(12,991.70)**
Exceptional items - gain/(loss)		-	-
Profit /(Loss) from continuing operations before tax after exceptional items		**(12,613.95)**	**(12,991.70)**
Profit/(Loss) from discontinuing operations before tax		**-**	**(626.23)**
Profit / (Loss) from continuing and discontinued operations		**(12,613.95)**	**(13,617.93)**
Tax expense:			
Current Tax (current year)		0.20	-
Current Tax (earlier years)		-	376.51
Profit /(Loss) for the year		**(12,614.15)**	**(13,994.44)**
Other Comprehensive Income			
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains /(losses) on defined benefit plans	**32**	38.29	54.50
Income tax effect on such items			
Total other comprehensive income for the year, net of tax		**38.29**	**54.50**
Total comprehensive income/(Loss) for the year, net of tax		**(12,575.86)**	**(13,939.94)**
Profit /(Loss) for the year attributable to:			
Owners of the Company		(12,613.33)	(13,686.76)
Non-Controlling Interests		(0.82)	(307.68)
Other Comprehensive Income for the year attributable to:			
Owners of the Company		38.29	54.50
Non-Controlling Interests			
Total Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Company		(12,575.04)	(13,632.26)
Non-Controlling Interests		(0.82)	(307.68)
Earnings per equity share (computed on the basis of Profit /(Loss) for the year):	**33**		
Basic & Diluted		(17.50)	(18.97)

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

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity share capital

(Rs. in Lakh)

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

B. Other equity

(Rs. in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive income	Total equity
	Capital reserve	Share Premium Account	Capital redemption reserve	General Reserve	Retained earnings / (Losses)	Other items of other comprehensive income (Re-measurements of defined benefit obligations)	
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**	**(27,018.32)**
As at 1 April 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,255.25)**	**(35.46)**	**(811.00)**
Net income / (loss) for the year	-	-	-	-	(13,686.76)		(13,686.76)
Other comprehensive income	-	-	-	-	-	54.50	54.50
As at 31 March 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,942.01)**	**19.04**	**(14,443.26)**

NCI not included in Changes in Equity

Non controling interests

	31-Mar-22	31-Mar-21
Balance at the beginning of the year	(1,723.50)	(1,415.82)
Share of profit	(0.82)	(307.68)
Share of other comprehensive income	-	-
Balance at the end of the year	**(1,724.32)**	**(1,723.50)**

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-22	31-Mar-21
Glamorous Properties Private Limited	25%	25%

New Vardhman Vitrified Private Limited #

As at 31st March, 2022 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.

	Accumulated Non-Controlling Interest		Profit /(Loss) allocated to Non - Controlling Interest		Other Comprehensive income allocated to non - Controlling Interest	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Glamorous Properties Private Limited	92.80	93.62	(0.82)	(0.83)	-	-
New Vardhman Vitrified Private Limited	(1,817.12)	(1,817.12)	-	-	-	-
	-1,724.32	(1,723.50)	(0.82)	(0.83)	-	-

	GPPL		NVVPL	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	₹	₹	₹	₹
Non-Current Assets	216.72	206.52		
Current assets	297.12	297.03		
Asset/ Disposal Group held for sale			3,084.24	3,084.24
Current Liabilities	142.66	129.09		
Liability/ Disposal Group held for sale			4,691.70	4,691.70
Total Equity	371.18	374.47		
Attributable to owners of company	278.39	280.85		
Non-control interest	92.80	93.62	-1,817.13	-1,817.13

	GPPL		NVVPL	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Revenue	194.72	189.07	-	-
Expenses	198.00	192.38	-	-
Profit/(loss) for the year	(3.28)	(3.31)	-	-
Attributable to owners of company	(2.46)	(2.48)	-	-
Non-control interest	(0.82)	(0.83)	-	-
Other Comprehensive Income	-	-	-	-
Attributable to owners of company	-	-	-	-
Non-control interest	-	-	-	-

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rupees Lakh, unless otherwise stated)

		Year ended 31 March 2022		Year ended 31 March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit /(Loss) before tax & exceptional items		(12,613.95)		(12,991.70)
	Adjusted for :				
	Depreciation & amortisation expense	3,000.38		3,074.97	
	(Profit)/Loss on sale of Property, plant & equipment (Net)	(451.58)		(18.91)	
	Finance costs	6,432.61		5,362.07	
	Provisions against current assets	1,147.34	10,128.75	3,279.18	11,697.31
	Operating Profit before Working Capital Changes		(2,485.20)		(1,294.39)
	Working capital adjustments:				
	Adjustment for (increase)/decrease:				
	(Increase)/decrease in inventories	1,136.15		991.83	
	(Increase)/decrease in trade receivables	(344.66)		2,964.13	
	(Increase)/decrease in other receivables	235.28		103.56	
	Increase/(decrease) in trade and other payables	2,040.73		(1,579.86)	
	Increase/(decrease) in provisions	35.53	3,103.03	0.66	2480.31
	Cash Generated from Operations		617.83		1,185.92
	Taxes paid (net of refunds)		(0.20)		0.00
	Net Cash generated from operating activities		**617.63**		**1,185.92**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress)	370.88		(190.90)	
	Net Cash flow generated/ (used in) Investing Activities		**370.88**		**(190.90)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds/ (Repayment) of Long Term Borrowings (Net)	(53.67)		(284.89)	
	Advance against sale of subsidiary	-		279.19	
	Payment of lease liability	(146.69)		(149.70)	
	Finance costs (net)	(814.93)		(610.45)	
	Net Cash flow (used in) in Financing Activities		**(1,015.29)**		**(765.85)**
	Net increase/decrease in Cash and Cash Equivalents (A+B+C)		**(26.77)**		**229.17**
	Cash and Cash Equivalents at the beginning of the year		1,270.77		1,067.25
	Less: Amount difference due to assets held for sale				(25.65)
	Cash and Cash Equivalents at the end of the year		**1,244.00**		**1,270.77**
	Components of cash and cash equivalents at the end of the year				
	Cash on hand		7.29		6.80
	Balance in current account and deposits with banks		1,236.71		1,263.97
	Cash and Cash Equivalents at the end of the year		**1,244.00**		**1,270.77**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Reconciliation of liabilities arising from financing activities:

	As at March 31, 2021	Cash Flows	Interest Accrued /Write back	As at March 31, 2022
Redeemable Non-Convertible Preference Shares	15,000.00			**15,000.00**
Redeemable Non-convertible Debentures	5,000.00			**5,000.00**
Long-term borrowings including current maturities of long-term debts	55,494.85	(436.86)	6,017.03	**61,075.02**
Lease liabilities (including current maturities of finance lease obligations)	31.08	(13.54)		**17.54**
Total liabilities from financing activities	**75,525.93**	**(450.40)**	**6,017.03**	**81,092.56**

In terms of our report of even date annexed

For and on behalf of the Board

For Nayak & Rane
Chartered Accountants
FRN No. 117249W

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Kishore Rane
Partner
Membership No.: 100788

Shirish Suvagia
Chief Financial Officer

Place : Mumbai
Dated : 26th May, 2022

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and compliance with Ind AS

a. The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

The Consolidated financial statements comply in all material aspects with Ind AS, notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

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

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

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

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

Use of Estimates

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

2.2 Basis of consolidation

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

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

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

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

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

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

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

2.3 Goodwill on consolidation

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

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

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

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

Particulars	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at 31 March 2022	As at 31 March 2021
Subsidiaries			
New Vardhman Vitrified Pvt. Ltd. (subsidiary till 10.12.2020)	India	NA	NA
Nitco Realties Private Limited	India	100	100
Fellow Subsidiaries			
Maxwealth Properties Pvt. Ltd.	India	100	100
Meghdoot Properties Pvt. Ltd.	India	100	100
Roaring - Lion Properties Pvt. Ltd.	India	100	100
Feel Better Housing Pvt. Ltd.	India	100	100
Quick-Solution Properties Pvt. Ltd.	India	100	100
Silver-Sky Real Estates Pvt. Ltd.	India	100	100
Opera Properties Pvt. Ltd.	India	100	100
Ferocity Properties Pvt. Ltd.	India	100	100
Glamorous Properties Pvt. Ltd.	India	75	75
Nitco IT Parks Pvt. Ltd.	India	100	100
Nitco Aviation Pvt. Ltd.	India	100	100
Aileen Properties Pvt. Ltd.	India	100	100
Quick Innovationlab Pvt. Ltd.	India	100	NA

2.4 Significant accounting policies

a. Property, Plant and Equipment (PPE)

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

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

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

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

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

Class of assets	Basis	Useful life/ rate of depreciation
Office equipment – mobile	SLM	2 years
Motor vehicles	SLM	4 years
Computer software	SLM	5 years
Showroom Building (civil)	SLM	10 years
Plant and machineries – Punch & Dies	SLM	2 years

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

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

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

b. Share-based payments

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

c. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

d. Inventories

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

e. Impairment of non-financial assets

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

f. Revenue recognition

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

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

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

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

g. Foreign currency transactions

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

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

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

h. Fair Value Measurement

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

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

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

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

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

i. Financial instruments

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

(a) Financial assets

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

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

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

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

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

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

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

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

iii. Derecognition

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

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

(b) Financial liabilities

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

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

- **Financial liabilities at amortized cost**

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

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

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

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

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

iii. Derecognition

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

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

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

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

j. Employee Benefits

i. Short term employee benefits

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

ii. Long term employee benefits

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

iii. Post-employment benefit plan

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

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

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

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

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

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

k. Provisions and Contingencies

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

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

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

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

l. Taxes on Income

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

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

m. Finance Costs

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

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

n. Segment reporting

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

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

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

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

o. Earnings per share

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

p. Cash flow statement

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

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

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

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

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

q. COVID-19 Assessment

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of plant and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2022. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

r. Investment in Subsidiaries

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

s. Contract with GAIL (India) Limited

The Company as a buyer entered into Gas Sale Agreement on 03.03.2009 with GAIL (India) Limited as a seller where seller is a Government Company primarily engaged in the distribution and marketing of gas in India. As per the provisions of above agreement, it's an obligation on company to pay for the quantity not taken / consumed as per Buyer's Take or Pay Obligation Clause. As per provisions of sub-article (c) & (d) of article 18 "Force Majeure" of Gas Sale Agreement dated 03-03-2009 between GAIL (India) Limited & NITCO Limited: "In the events of Force Majeure, if lockout continues for a period of at least 3 consecutive days then from the fourth consecutive day of the Force Majeure event under this agreement, the buyer shall be excused from performance of its obligations under this agreement, except those specifically provided herein. The Company has received waiver letter for the period ending December 2021 exempting Take or Pay claim. Accordingly based on the provisions of Force Majeure clause and waiver letter, the Company does not expect any cash outflow.

3. Application of Indian Accounting Standard (Ind AS)

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

a. Current versus non-current classification

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

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

b. Capital work-in-progress and capital advances

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects. All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalised at the time of commissioning of such assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

Particulars Useful lives

Plant and machinery 7, 10 and 18 years

Fit-out and other assets at sales outlets 5 years

Roads 30 and 60 years

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

d. De-recognition

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

e. Intangible Assets

Measurement and recognition

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

De-recognition

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

f. Research and development costs

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

g. Borrowing costs

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

h. Impairment of non-financial assets

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

4. Significant accounting judgements, estimates and assumptions

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

5. Judgements

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

6. Contingencies

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

7. Estimates and assumptions

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

8. Reclassifications consequent to amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24th March, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1st April, 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item. The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	31st March, 2021 (as previously reported)	Increase / (Decrease)	31st March, 2021(restated)
Current Borrowings	-	29,803.38	29,803.38
Other Current Financial Liabilities	31,850.74	(29,803.38)	2,047.36

We have changed the classification of Current maturities of Debt from Other Current Financial Liabilities to Current Borrowings.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. Property, Plant and Equipment
Consolidate Fixed Asset Schedule for the Year ending March 31, 2022

(Rs In Lakh)

Particulars	Freehold Land	Lease Hold land	Buildings	Office Equipment's	Plant & Equipment	Electrical Installations	Furniture & Fixture	Windmill	Vehicles (Finance Lease)	Live Stock	Total Assets
Acquisition Cost											
As at March 31, 2020	**6,060.48**	**145.66**	**21,203.39**	**1,225.60**	**66,696.76**	**1,104.26**	**2,867.30**	**3,680.54**	**905.13**	**111.87**	**1,04,000.99**
Additions	-	132.72	7.03	12.60	18.07	15.67	52.22	-	0.59	-	238.90
Disposals	-	-	-	17.10	10.50	13.18	29.90	-	120.66	3.84	195.18
As at March 31, 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**	**1,04,044.71**
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**	**1,04,159.02**
Depreciation											
As at March 31, 2020	**-**	**18.05**	**10,947.42**	**1,123.93**	**39,726.90**	**1,019.44**	**2,395.06**	**2,495.15**	**814.00**	**-**	**58,539.96**
Depreciation charge for the year	-	4.33	603.02	32.94	2,010.63	24.34	65.32	151.36	23.66	-	2,915.60
Disposals	-	-	-	17.11	9.98	13.18	26.26	-	117.40	-	183.93
Impairment of FA of Subsidiary Co.	56.91	-	554.68	5.27	3,020.22	3.36	8.00	-	13.35	-	3,661.79
As at March 31, 2021	**56.91**	**22.38**	**12,105.12**	**1,145.03**	**44,747.77**	**1,033.96**	**2,442.12**	**2,646.51**	**733.61**	**-**	**64,933.42**
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**	**-**	**67,791.65**
Net Book Value:											
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**
As at March 31, 2021	**6,003.57**	**256.00**	**9,105.30**	**76.07**	**21,956.56**	**72.80**	**447.50**	**1,034.03**	**51.45**	**108.03**	**39,111.29**

Notes:

1. Property , plant and equipment pledged as security, refer to note 17 .1 for information on property , plant and equipment pledged as security by the company
2. Lease hold land of Rs 132.72 lacs capitalised in FY 20-21 pertains to expenses incurred on lease hold land situated at Nitco Limited - Business Park, Wagle Industrial Estate, Road No. 16, Thane - 400604

3 The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except for one immoveable property which amounts to gross block of Rs.278.38 Lakh and net block of Rs.249.82 Lakh whose title deed is not held in the name of the Company.

Description of property	Gross carrying value (Rs. in lakhs)	Held in name of	Whether promoter, director or their relative or employee of	Period held	Reason for not being held in name of company
Land as Plot No. F-6/3 in the Thane Industrial Estate admeasuring 4144 sq. mtrs	249.82/-	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 merge with Nitco tile Ltd (NTL) Refer HC petition no 797 of 2001

3.1 CAPITAL WORK -IN-PROGRESS

	As at 31-Mar-22	As at 31-Mar-21
Capital work-in-progress	439.84	477.93
Total Capital work-in-progress	439.84	477.93

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

(Rs In Lakh)

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 2022)	28.00	65.07	-	346.77	439.84
	(31st March 2021)	65.08	36.17	11.31	365.37	477.93
Total Capital work-in-progress	(31st March 2022)	28.00	65.07	-	346.77	439.84
	(31st March 2021)	65.08	36.17	11.31	365.37	477.93

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, 2022 and March 31, 2021 :

(Rs In Lakh)

Particular		To be completed in				
		Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
Digital Showroom		-	244.67	-	-	244.67
SAP - S4 Hana		16.00	-	-	-	16.00
	(31st March 2021)	66.09		244.67		310.76

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3A. Leases

I As a Lessee

(a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for lease as on 31st March, 2022.

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

(c) Practical expedients applied :

Company has used the practical expedients permitted by the standard:

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

(d) The weighted average lessee's interest implicit in the lease has been applied to the lease liabilities was 6.75% with maturity between 2022-25.

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)
Godown	2	-
Office	1	1 to 7 years
Showroom	2	1 to 4 years

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

The balance sheet shows the following amounts relating to leases:

(Rs. In Lakh)

	Right-of-use assets
Balance as at 1 April 2021	208.66
Reclassification from Property, Plant and Equipment	-
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 2020	-
Reclassification from Property, Plant and Equipment	-
Add: Additions	346.32
Less: Depreciation charged on the right-of-use assets	137.67
Balance as at 31 March 2021	**208.66**

(g) Lease payments not recognised as lease liabilities:

(Rs. In Lakh)

	Year ended at March 31, 2022	Year ended at March 31, 2021
Expenses relating to short term leases (included in other expenses)	15.97	34.38
Expenses relating to leases which can be terminated by either party with 2-3 month notice.	175.41	183.32
Total	**191.38**	**217.70**

(h) The total cash outflow for leases for the year ended 31 March 2022 was Rs 162.37 lakhs

(i) Future minimum lease payments as on 31 March 2022 are as follows:

(Rs. In Lakh)

Minimum lease payments due	As at March 31, 2022	As at March 31, 2021
Within 1 year	57.41	162.36
1 - 2 years	27.6	57.41
2 - 3 years	9.2	27.60
3 - 4 years	-	9.20

(Rs. In Lakh)

II

As a Lessor	As at March 31, 2022	As at March 31, 2021
a) Amounts recognized in statement of profit and loss	13.39	19.32
Operating Lease Income	**13.39**	**19.32**

4. Intangible assets (Computer Software)

(Rs. in Lakh)

Particulars	Goodwill on Consolidation	Other Intangible Assets	Total
Cost			
As at April 1, 2020	323.77	433.76	**757.53**
Additions	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2021	**323.77**	**433.76**	**757.53**
Additions	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2022	**323.77**	**433.76**	**757.53**
Amortisation			
As at March 31, 2020	**-**	**424.09**	**424.09**
Amortisation charge for the year	-	-	**-**
Disposals	-	9.67	**9.67**
As at March 31, 2021	**-**	**433.76**	**433.76**
Amortisation charge for the year	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2022	**-**	**433.76**	**433.76**
Net book value :			
As at March 31, 2022	**323.77**	**-**	**323.77**
As at March 31, 2021	323.77	-	**323.77**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

5. Other financial assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balances with Banks - Held as Margin Money #	2,309.97	2,303.26
Security Deposits	1,109.65	1,101.67
Total	**3,419.62**	**3,404.93**

Margin money with banks is given for Bank Guarantees

6. Other non-current assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Income Tax Payment (Net)	404.71	330.18
Capital Advances*	995.99	995.99
Prepaid Lease rental	131.51	175.31
Total	**1,532.21**	**1,501.48**

* Capital advances to Saumya Buildcon is expected to be recovered in this year the during FY 2023

7. Inventories

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	369.01	540.56
Finished Goods	4,764.48	5,848.65
Stock in trade	1,128.34	1,250.12
Stores and spares	101.18	213.69
Total	**6,363.01**	**7,853.02**

During the year inventory is write down on account of slow moving, non-moving and old inventory by Rs. 353.86 lakhs (previous year 541.97 lakhs)

During the year old inventory is written off by Rs. 172.24 lakhs.

8. Inventories – Real Estate

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Land at Kanjurmarg	15,000.00	15,000.00
Others	3,734.30	3,734.30
Total	**18,734.30**	**18,734.30**

9. Trade receivables (unsecured)

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade Receivable considered good - Unsecured	15,042.18	14,684.52
Less : Allowance for expected credit loss	5,380.82	4,712.99
Trade Receivable considered good - Unsecured	**9,661.36**	**9,971.53**
Trade Receivable credit impaired - Unsecured	25.16	28.88
Less : Allowance for credit impairment	25.16	28.88
Trade Receivable credit impaired - Unsecured	**-**	**-**
Total trade receivables	**9,661.36**	**9,971.53**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Trade receivables aging schedule for the year ended as on March 31,2022 and March 21 2021 :

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 2022)	3,726.34	5,097.98	247.62	614.42	1,284.00	4,071.82	15,042.18
	(31st March 2021)	3,139.16	5,007.41	397.87	1,889.55	2,183.31	2,067.23	14,684.52
Undisputed Trade receivables - Credit impaired	(31st March 2022)	-	-	-	-	-	25.16	25.16
	(31st March 2021)	-	-	-	-	-	28.88	28.88
Disputed Trade receivables - Considered good	(31st March 2022)	-	-	-	-	-	-	-
	(31st March 2021)	-	-	-	-	-	-	-
Disputed Trade receivables - Credit impaired	(31st March 2022)	-	-	-	-	-	-	-
	(31st March 2021)	-	-	-	-	-	-	-
	(31st March 2022)	**3,726.34**	**5,097.98**	**247.62**	**614.42**	**1,284.00**	**4,071.82**	**15,042.18**
	(31st March 2021)	**3,139.16**	**5,007.41**	**397.87**	**1,889.55**	**2,183.31**	**2,067.23**	**14,684.52**
Less : Allowance for credit loss	(31st March 2022)	-	-	-	-	-	-	5,380.82
	(31st March 2021)	-	-	-	-	-	-	4,712.99
Total Trade Receivables	(31st March 2022)	-	-	-	-	-	-	9,661.36
	(31st March 2021)	-	-	-	-	-	-	9,971.53

10. Cash and cash equivalents

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	1,236.71	1,263.97
Cash on hand	7.29	6.80
Total	**1,244.00**	**1,270.77**

11. Loans

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Loans to Related Parties - refer note 34 (C)		
Unsecured, Considered Good	-	-
Other Loans & Advances		
Unsecured, Considered Good	2,023.00	2,041.52
Total	**2,023.00**	**2,041.52**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

12 Other financial assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Others (Unsecured considered good unless otherwise stated)	36.84	21.77
Total	**36.84**	**21.77**

13. Other current assets

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Balance with statutory authorities	3,071.55	3,344.23
Advances for supply of goods and rendering of services	450.05	572.12
Prepaid expenses/Other Receivables	104.20	229.14
Other Assets	172.28	166.22
Total	**3,798.08**	**4,311.71**

14. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Nos.	Rs. in Lakh	Nos.	Rs. in Lakh
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 31st March 22

	As at 31 March 2022		As at 31 March 2021	
	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

Terms/Rights attached to equity shares:

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

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	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	1,71,59,617	23.88%	1,71,59,617	23.88%

C. Shareholding of promoter

Promoter name		No of Shares	% of total shares	% Change during the year
Vivek Prannath Talwar		63,23,669	8.8	-
Aurella Estates And Investments Pvt Ltd		2,56,76,949	35.73	
Promoter Group				
Rajeshwari Prannath Talwar		8,25,988	1.15	-
Anjali Vivek Talwar		5,43,146	0.76	-
Poonam Wasan		1,19,432	0.17	-
Lovraj Talwar		87,301	0.12	-
Sanjnaa Talwar		85,517	0.12	-
Vivek Talwar (HUF)		27,264	0.04	-
A N Talwar (HUF)		2,001	0	-
Watco Engineering Co. Pvt. Ltd		16,16,712	2.25	-
Nitco Paints Pvt. Ltd.		15,98,299	2.22	-
Rang Mandir Builders Pvt. Ltd.		2,80,269	0.39	-
Ushakiran Builders Pvt. Ltd.		2,09,417	0.29	-
Lavender Properties Pvt. Ltd.		2,08,072	0.29	-
Prakalp Proprties Pvt. Ltd.		1,75,785	0.24	-
Eden Garden Builders Pvt. Ltd.		1,56,951	0.22	-
Nitco Tiles And Marble Industries Andhra Pvt. Ltd.		85,517	0.12	-
Enjoy Builders Pvt. Ltd.		72,646	0.1	-
Northern India Tiles Corporation		2,240	0	-
Northern India Tiles (Sales) Corporation		1	0	-

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

15. Other equity

(Rs. in Lakh)

	Reserves and Surplus					Total Equity
	Capital Reserve	**Share Premium Account**	**Capital Redemption Reserve**	**General Reserve**	**Retained Earnings / (Losses)**	
Notes	(a)	(b)	(c)	(d)	(e)	
As at 1 April 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,922.97)**	**(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**	**(76,498.01)**	**(27,018.32)**
As at 1 April 2020	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(50,290.71)**	**(811.00)**
Net income / (loss) for the year	-	-	-	-	(13,686.76)	(13,686.76)
Other comprehensive income	-	-	-	-	54.50	54.50
As at 31 March 2021	**2,075.47**	**42,591.33**	**966.00**	**3,846.91**	**(63,922.97)**	**(14,443.26)**

Note (a) Capital Reserve is created on account of amalgamation of Particle Boards India Limited with the Company pursuant to the Scheme of Amalgamation in the financial year 2010-11 & unexercised share warrants in the financial year 2019-20.

Note (b) Share Premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Note (c) Capital Redemption Reserve is created on account of redemption of preference shares. The preference shares were redeemed in the financial years 2003-04.

Note (d) General Reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another.

Note (e) Retained earnings/ (losses) represents cumulative profit of the Company. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

16. Borrowings

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Redeemable Non-Convertible Preference Shares (refer Note-i)	15,000.00	15,000.00
Redeemable Non-convertible Debentures (refer Note-ii)	5,000.00	5,000.00
From Others	-	25,705.00
Long term maturities of finance lease	2.63	17.55
Total	**20,002.63**	**45,722.55**

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.

16.1 Interest and repayment schedule for secured long term borrowings

(Rs. in Lakh)

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 company • Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the company • Pledge of shares held by promoters in Nitco Limited and six associate companies • Pledge of shares held by Aurella Estate & Investments Pvt Ltd in Nitco Limited, shares held by Nitco Realties Pvt Ltd in on Id by Nitco Limited in New Vardhman Vitrified Pvt Ltd • Negative lien on Non-core Assets of the company • Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by Six subsidiary/ fellow subsidiary/ associate companies
Term loans Facility 2 (secured)	-	33,089.16	33,089.16	30,000.00	9%	Repayable from the proceeds of sale of identified assets over a period of five years commencing from FY 2018	
Redeemable Non-Convertible Preference Shares	15,000.00	-	15,000.00	15,000.00	0.10%	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.	
Redeemable Non-convertible Debentures	5,000.00	-	5,000.00	5,000.00	5%	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2028).	
Total (A)	**20,000.00**	**59,187.75**	**79,187.75**				

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

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	11.25%	24 structured quarterly installments 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. Loans from Lenders are secured against the mortgage of fixed assets of the Company, hypothecation of present and future stocks of raw materials, stock-in-process, finished goods , stock-in-trade, stores and spares, consumables, book debts and against collateral securities and personal guarantee given by promoters and related parties.

iii. As at 31.03.2022, the default in repayment of dues to JMFARC was 33,479 lakhs (including interest).

iv. Current maturities of long term debt of Previous year is Rs 29,803.38 Lakhs

17. Lease Liabilities

Non Current

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (refer Note 3A)	33.93	69.88
Total	**33.93**	**69.88**

Current

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (refer note 3A)	51.63	162.37
Total	**51.63**	**162.37**

18. Provisions

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	214.60	215.33
Total	**214.60**	**215.33**

19. Income taxes

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (Net)	-	-
Total	**-**	**-**

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

20. Trade payables

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade payables		
- total outstanding dues of micro and small enterprises;	640.26	616.13
- total outstanding dues of creditors other than micro and small enterprises	13,644.61	12,021.45
Total	**14,284.87**	**12,637.58**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Trade Payable ageing schedule for the year ended as on 31st March 2022 and 31st March 2021

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 2022)	-	605.66	5.06	12.21	17.33	640.26
	(31st March 2021)	-	534.47	(11.87)	73.41	20.12	616.13
Others	(31st March 2022)	-	11,449.41	201.81	464.28	1,529.11	13,644.61
	(31st March 2021)	-	9,322.36	827.24	791.35	1,080.50	12,021.45
Total Trade Payable	(31st March 2022)	-	12,055.07	206.87	476.49	1,546.44	14,284.87
	(31st March 2021)	-	9,856.83	815.37	864.76	1,100.62	12,637.58

Notes:

I. Others include acceptances and employee compensation payable

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

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

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

This has been relied upon by the auditors.

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
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	640.26	616.13
- Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	143.69	965.37
Interest due and payable for the period of delay	39.56	28.99
Interest accrued and remaining unpaid	88.47	48.91
Amount of further interest remaining due and payable	-	-

21. Other financial liabilities

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Loans & Advances from related parties	200.15	191.92
Deposits received	845.11	841.11
Other advances	948.44	946.71
Amount payable to capital creditors	68.01	45.70
Interest accrued but not due on borrowings	21.92	21.92
Total	**2083.63**	**2,047.36**

22. Other current liabilities

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Other payable	5,862.83	5,606.08
Total	**5,862.83**	**5,606.08**

23. Provisions

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Provision for Leave Encashment	58.68	52.88
Provision for Gratuity	278.84	286.67
Provision for Others	2.12	2.00
Total	**339.64**	**341.55**

24. Revenue from operations

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products		
Tiles & Related products	40,345.05	32,323.30
Real estate	194.03	188.20
	40,539.08	**32,511.50**
Other operating revenues		
Labour charges	303.81	90.07
Lease rental	5.74	12.08
Other Operating income	212.66	82.30
	522.21	**184.45**
Total	**41,061.29**	**32,695.95**

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

(a) Disaggregation of revenue:

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

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Revenue from Sale of Tiles & Related Products	40,345.05	32,323.30
Revenue from Real Estate	194.03	188.20
	40,539.08	**32,511.50**
Revenue from Other Operating Revenue	522.21	184.45
Total	**41,061.29**	**32,695.95**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Contract assets related to sale of goods		
Trade receivables	9,661	9,972
Contract liabilities related to sale of goods		
Advance from customers	-	-

(c) Significant changes in contract assets and liabilities:

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

25. Other income

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Rent Received	13.39	19.32
Miscellaneous income	244.30	272.87
Profit on sale of Fixed Assets	463.85	20.24
Applicable net gain/loss on foreign currency transactions and translation	25.64	-
Total	**747.18**	**312.43**

26. Cost of materials consumed

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	1,224.74	1,774.50
Add: Purchases	2,709.78	1,743.34
	3,934.52	**3,517.84**
Less: Inventory at the end of the year	1,073.91	1,224.74
Raw Material Consumed	**2,860.61**	**2,293.10**
Packing Material	99.63	36.67
Cost of materials Consumed	**2,960.24**	**2,329.77**

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

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Stock in Trade - Opening	1,053.25	1,165.64
Stock in Trade - Closing	830.12	1,053.25
	223.13	**112.39**
Work in Progress - Opening	-	-
Work in Progress - Closing	-	-
	-	**-**
Finished Goods (Mfg.) - Opening	6,212.01	6,800.59
Finished Goods (Mfg.) - Closing	5,459.39	6,212.01
	752.62	**588.58**
Total Change in Inventories	**975.75**	**700.97**

28. Employee benefits expense

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	4,830.57	4,635.76
Contribution to provident and other funds (Refer Note 35a)	195.98	220.02
Gratuity (Refer Note 35 D)	85.49	82.69
Other Employee Costs	222.52	158.61
Total	**5,334.56**	**5,097.08**

29. Finance costs

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on debt and borrowings	6,354.18	5,295.46
Finance Cost on Lease Liability	15.68	24.19
Other financial charges	62.75	42.42
Total	**6,432.61**	**5,362.07**

JMFARC representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis. Based on the sanction received from JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation, no further adjustments have been made.

30. Depreciation and amortisation expense

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	2,862.71	2,915.60
Amortisation of intangible Assets (refer note 4)	-	9.67
Depreciation on Right-of-use Assets	137.67	149.70
Total	**3,000.37**	**3,074.97**

31. Other expenses

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Other Manufacturing Expenses		
*Power and fuel	151.78	144.12
Consumption of stores and spare parts	243.89	87.48
	395.67	**231.60**
Repairs and Maintenance		
Buildings	0.38	0.25
Machinery	11.88	18.44
Others Repairs & Maintenance	170.12	162.91
	182.38	**181.60**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Administrative Expenses		
Rent Rates and Taxes	640.26	365.88
Electricity Charges Office & Depot	116.90	115.86
Processing Charges Mosaico/Marble	102.56	54.43
Water Charges	8.91	6.23
Postage and Telephone	114.82	115.11
Printing and Stationery	21.06	11.36
Insurance	52.29	49.29
Legal and Professional Fees	286.86	246.15
Travelling & Conveyance Expenses	601.11	449.32
Audit Fees	15.86	20.81
Bank Charges	0.23	0.21
Hire Charges	43.40	40.82
Security Charges	133.78	129.26
Applicable net gain/loss on foreign currency transactions and translation	-	140.83
Provision for Advance	247.02	187.84
Miscellaneous Expenses	378.56	323.48
	2,763.62	**2,256.88**
Selling and distribution expenses		
Advertisement & Sales Promotion Expenses	915.26	770.45
Freight Forwarding & Distribution Expenses	1,785.97	1,179.59
C&F Charges	73.18	86.97
Provision for Bad & Doubtful Loan	-	838.37
Provision for Doubtful Debts	667.96	1,602.69
Bad Debts	25.16	83.01
	3,467.53	**4,561.08**
Total	**6,809.20**	**7,231.16**

* The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During FY 2021-22, the company has sold power to MSEDCL amounting to Rs. 255.03 lakhs (previous year Rs. 200.11 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. Components of other comprehensive income (OCI)

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

During the year ended 31 March 2022

(Rs. in Lakh)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	38.29	38.29
Income tax effect	-	-
Total	**38.29**	**38.29**

During the year ended 31 March 2021

(Rs. in Lakh)

	Retained Earnings	Total
Remeasurement gains (losses) on defined benefit plans	54.50	54.50
Income tax effect	-	-
Total	**54.50**	**54.50**

33. Earnings per share (EPS)

(Rs. in Lakh)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) for the year (Rs.)	(12,575.04)	(13,632.26)
Equity shares at the beginning of the year (nos.)	718.59	718.59
Equity shares issued during the year	-	-
Equity shares at the end of the year (nos.)	718.59	718.59
Weighted average equity shares for the purpose of calculating basic earnings per share (nos.)	718.59	718.59
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.)	718.59	718.59
Earnings per share-basic (face value of Rs.10/- each) (Rs.)	(17.50)	(18.97)
Earnings per share-diluted (face value of Rs.10/- each) (Rs.)	(17.50)	(18.97)

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 Company

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar – Chairman & Managing Director

Key Management Personnel (KMP)

Mr. Vivek Talwar – Chairman & Managing Director

Mr. Sharath Padmanabh Bolar - Independent Director (Upto October 18,2021)

Mrs. Bharti Pradeep Dhar - Independent Director

Mr. Siddharth Pradip Kothari - Independent Director (Upto July 14, 2021)

Mr. Vivek Grover - Nominee Director of JMFARC

Rakesh Kashimpuria -Nominee Director of JMFARC

Manish Puri (w.e.f August 7,2021)

Prakash Iyer (w.e.f December 31, 2021)

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 Trading LLP

IB Hospitality Pvt. Ltd.

Watco Trading Pvt. Ltd.

Watco Engineering Pvt. Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

Nitco Paints Pvt.Ltd.

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 2022					Year ended 31 March 2021				
	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
Other Expenses										
IB Hospitality Pvt Ltd	-	-	9.77		**9.77**	-	-	4.96		**4.96**
Directors Sitting Fees										
Rakesh Kashimpuria*	-	1.50	-		**1.50**	-	0.90	-		**0.90**
Manish Puri	-	1.15	-		**1.15**	-	-	-		**-**
Sharath Padmanabh Bolar	-	1.30	-		**1.30**	-	2.50	-		**2.50**
Bharti Pradeep Dhar	-	2.45	-		**2.45**	-	2.50	-		**2.50**
Siddharth Pradip Kothari	-	0.50	-		**0.50**	-	2.45	-		**2.45**
Vivek Grover*	-	1.50	-		**1.50**	-	1.50	-		**1.50**
Prakash Iyer	-	0.55			**0.55**	-	-	-		**-**
Samir Chawla*	-	-	-		**-**	-	0.60	-		**0.60**
Impairment of Loans & Advances										
New Vardhman Vitrified Pvt. Ltd.	-	-	-		**-**	32.86	-	-		**32.86**

*Sitting fees of Nominee Directors i.e. Mr. Vivek Grover, Mr. Samir Chawla & 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 2022					Year ended 31 March 2021				
	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)**
Saumya Buildcon Private Limited	-	-	NA		**NA**	-	-	995.99		**995.99**
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 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 Trading LLP	-	-	(225.51)		**(225.51)**	-	-	(225.51)		**(225.51)**
IB Hospitality Private Limited	-	-	-		**-**	-	-	(0.81)		**(0.81)**
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 Tiles & Marble Industries (Andhra) Private Limited	-	-	1.00		**1.00**	-	-	1.00		**1.00**
Nitco Sales Corporation Delhi	-	-	(0.02)		**(0.02)**	-	-	(0.02)		**(0.02)**
Nitco Tiles Sales Corporation	-	-	(0.23)		**(0.23)**	-	-	(0.23)		**(0.23)**
Northern India Tiles Sales Corporation	-	-	(1.73)		**(1.73)**	-	-	(1.73)		**(1.73)**
Poonam Talwar	-	-	9.19		**9.19**	-	-	9.19		**9.19**
Guarantee Received Promoter Group		79,187.75	-		**79,187.75**		73,521.40			**73,521.40**

As at 31st March, 2022 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 Company's contribution to the provident fund, superannuation fund and national pension scheme is Rs.195.98 Lakh for the year ended 31st March 2022 (31st March 2021 Rs. 220.02 Lakh) [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, 2022 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 Lakh)

	March 31, 2022	March 31, 2021
Defined benefit obligation at the beginning of the year	757.16	858.55
Current Service Cost	67.88	68.23
Interest Expense or Cost	46.53	48.04
Benefits paid	(67.85)	(163.17)
Actuarial (gain)/ loss	(38.29)	(54.50)
Defined benefit obligation at the end of the year	**765.43**	**757.16**

B. Movements in the fair value of plan assets

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	470.49	600.08
Investment income	28.92	33.58
Contribution by employer	55.03	-
Benefits paid	(67.85)	(163.17)
Expected Interest Income on plan assets	-	-
Fair value of plan assets at the end of the year	**486.59**	**470.49**

C. Amount recognized in the balance sheet

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Fair value of plan assets	765.42	757.16
Defined benefit obligation	486.58	470.49
Net Asset/ (Liability) recognised in the Balance Sheet	(278.84)	(286.67)
Amount recognised in the Balance Sheet	**(278.84)**	**(286.67)**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

D. Amount recognised in Statement of Profit and Loss

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Current service cost	67.88	68.23
Net Interest Cost /(Income) on the Net Defined Benefit Liability /(Asset)	17.61	14.46
Amount recognised in Statement of Profit and Loss	**85.49**	**82.69**

E. Amount recognised in Other Comprehensive Income:

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Actuarial changes arising from changes in demographic assumptions	(0.13)	2.32
Actuarial changes arising from changes in financial assumptions	(5.72)	13.47
Experience adjustments	(32.44)	(70.29)
Amount recognised in Other Comprehensive Income	**(38.29)**	**(54.50)**

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

	March 31, 2022	March 31, 2021
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:

	March 31, 2022	March 31, 2021
Discount rate (per annum)	6.30%	6.15%
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 2022 is as shown below:

(Rs. in Lakh)

	March 31, 2022	March 31, 2021
Defined Benefit Obligation (Base)	765.42	757.16

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	802.81	731.21	797.86	720.16
(% change compared to base due to sensitivity)	4.90%	-4.50%	5.40%	-4.90%
Salary Growth Rate (- / + 1%)	731.43	801.77	720.63	796.39
(% change compared to base due to sensitivity)	-4.40%	4.70%	-4.80%	5.20%
Attrition Rate (- / + 50% of attrition rates)	765.03	763.80	759.07	753.91
(% change compared to base due to sensitivity)	0.10%	-0.20%	0.30%	-0.40%
Mortality Rate (- / + 10% of mortality rates)	765.40	765.45	757.14	757.18
(% 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 Lakh)

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	189.60	167.59
Between 2 and 5 years	377.68	360.24
Between 6 and 10 years	309.74	311.85
Beyond 10 years	192.31	246.29

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

A. Business Segment:

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
1. Net sales / Income from operations		
- Tiles and other related products	40,861.52	32,495.67
- Real estate	199.77	200.28
Total Revenue	**41,061.29**	**32,695.95**
2. Segment results		
- Tiles and other related products	(6,030.65)	(7,285.65)
- Real estate	(150.69)	(970.21)
Total Segment Profit/(Loss)	**(6,181.34)**	**(8,255.86)**
- Interest and other financial cost	6,432.61	5,362.07
- Exceptional items	-	-
Profit /(Loss) Before Tax	**(12,613.95)**	**(13,617.93)**

3. Capital Employed

(Rs. in Lakh)

	Segment Asset		Segment Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
- Tiles and other related products	63,816.72	69,077.66	26,748.04	24,812.83
- Real estate	22,876.18	22,909.08	544.45	461.74
- Unallocated/ Corporate	405.75	330.18	-	-
Total	**87,098.65**	**92,316.92**	**27,292.49**	**25,274.57**

B. Geographical Segment:

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

(Rs. in Lakh)

	India		Rest of the world		Total	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue	35,050.23	26,496.95	6,011.06	6,199.00	41,061.29	32,695.95
Carrying cost of Segment assets	87,098.64	91,525.24		776.90	87,098.64	92,302.14
Addition of fixed assets and tangible assets	138.75	238.90	-	-	138.75	238.90

37. Share based payments

Nitco Limited Employee Stock Option scheme (the 'scheme') was approved by the Board of Directors and the shareholders of the Company on 2nd April 2019. The scheme entitles employees of the group to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. A description of the share based payment arrangement of the Company is given below:

Particulars	Nitco limited Employee Stock Option Plan
Exercise Price	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: 2021-22
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 2020	11,12,000	-
Granted during the year	-	-
Forfeited during the year	6,50,000	39.55
Exercised during the year	-	-
At 31 March 2021	**4,62,000**	**39.55**
Exercisable as at 31 March 2021	-	-
Weighted average remaining contractual life (in years)	2.32	-
At 1 April 2021	4,62,000	-
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
Weighted average remaining contractual life (in years)	2.32	-

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The fair values of options granted were determined using Black-Scholes option pricing model that takes into account factors specific to the share incentive plans. Expected volatility has been determined by reference to the average volatility for comparable companies for corresponding option term.

Grant Date	03 April 2019	08 July 2019	12 March 2020
Vesting Date	02 April 2023	07 July 2023	11 March 2024
Expiry Date			
Fair value of option at grant date	38.90	31.75	16.30
Exercise price	39.55	39.55	39.55
Expected volatility of returns	9.97%	9.97%	9.97%
Weighted year contractual life in years	2.32	2.32	2.32
Risk Free Interest Rate	6.14%	6.14%	6.14%

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

38. Commitments & Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on 31st March 2022 are Rs. 42.25 Lakh (31 March 2021 - Rs. 6.33 Lakh).

(b) Contingent Liabilities

(Rs. in Lakh)

			As at March 31, 2022	As at March 31, 2021
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 (iii) below)	16,980.00	16,980.00
	ii.	Demand order for unearned income (refer to note (iv) below)	5,105.88	5,105.88
	iii.	In respect of Value added tax, Service Tax, GST, Custom Duty and Income Tax Demands pending before various authorities and in dispute (Gross)	4,603.17	4,297.75
c)	Legal matters		241.69	124.80
d)	Estimated amount of interest on loan which is not provided in the books		2,428.22	2,217.00
	(refer note v below)			

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

ii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly 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 held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of Rs. 5,105.88 Lakh in this regard. The company has filed a writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing. Stay was granted on 26th March,2018. However same is confirmed as interim relief by order dated 09th September, 2019

iv. Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to Rs. 40,560.23 Lakh in the FY 2017-18 & Rs. 14,032.15 lakhs in FY 2019-20. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company.The company has defaulted in term loan payment of JMFARC of Rs. 33,479 lakhs and as such JMFARC can now exercise its right to revoke any time. Management has however not provided for the waiver of Rs 54,592.38 Lakhs granted by JMFARC as the company has not yet received any letter from JMFARC.

v. Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility

principal amount outstanding Rs. 18.87 crore as on 31.03.2022 on terms similar to restructuring done by JMFARC. Pending negotiations with LIC, the provision for interest amounting to Rs 24.28 crore is considered as Contingent in nature.

vi. On 27th January, 2020 lock out was declared at tiles manufacturing unit at Alibaug for a temporary period. The lock out was necessitated due to non-co-operation, coercive and threatening tactics by workmen at the factory premises and with a view to safeguard the interest of the organisation, the safety and security of the personnel and the property of the Company. The Conciliation meetings/proceedings are in progress at the Additional Labour Commissioner's office, Raigad. Further, the negotiation with labour unions is ongoing and the settlement amount is not yet finalized . Therefore, no provision for the same has been made in the financial.

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 Lakh)

		As at March 31, 2022	As at March 31, 2021
Debt#	A	81,092.56	75,524.18
Cash & cash equivalent	B	1,244.00	1,270.77
Net Debt	C=(A-B)	79,848.56	74,253.41
Equity	D	(21,556.74)	(8,980.85)
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 21 and also includes interest accrued but not due on borrowings. Adverse capital gearing ratio reflects increase in equity on account of losses earned during the year.

40. Financial instruments

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

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

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

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

Fair value hierarchy

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

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

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

There is no fair valuation of financial instruments.

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

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents (Refer Note 10)	1,244.00	1,244.00	1,270.77	1,270.77
Trade Receivables (Refer Note 9)	9,661.36	9,661.36	9,971.53	9,971.53
Loans (Refer Note 11)	2,023.00	2,023.00	2,041.52	2,041.52
Other Financial Assets (Refer Note 5)	36.84	36.84	21.77	21.77
Total	**12,965.20**	**12,965.20**	**13,305.59**	**13,305.59**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at fair value through Statement of Profit and Loss	-	-	-	-
Investments	-	-	-	-
Financial assets at fair value through Other Comprehensive Income:	Nil	Nil	Nil	Nil
Financial liabilities at amortised cost:				
Trade Payables (Refer note 20)	14,284.87	14,284.87	12,637.58	12,637.58
Other Financial Liabilities (Refer Note 21)	2,083.63	2,083.63	2,047.36	2,047.36
Borrowings (Refer Note 16)	81,092.56	81,092.56	75,525.93	75,525.93
Total	**97,461.06**	**97,461.06**	**90,210.87**	**90,210.87**
Financial liabilities at fair value through Statement of Profit and Loss	Nil	Nil	Nil	Nil
Financial liabilities at fair value through Other Comprehensive Income	Nil	Nil	Nil	Nil

41. Financial risk management objectives

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

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

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

i. Foreign currency risk:

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

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

(Rs. in Lakh)

	31-Mar-22		31-Mar-21	
	Amount in foreign currency	Amount in Rs	Amount in foreign currency	Amount in Rs
Foreign trade payables				
AED	1.01	21.52	1.01	20.10
USD	0.36	27.96	6.73	492.59
Borrowing	-	-	0.62	45.11
Foreign trade receivables				
EUR	0.58	48.04	1.05	89.84
USD	6.13	456.74	6.78	496.57

	% Change in foreign currency rate	Effect on profit /(Loss) before tax			
		USD	EUR	AED	Total
As at 31 March 2022	5%	21.48	2.40	(1.08)	22.80
	-5%	(21.48)	(2.40)	1.08	(22.80)
As at 31 March 2021	5%	(2.06)	4.49	(1.00)	1.43
	(5%)	2.06	(4.49)	1.00	(1.43)

ii. **Interest Rate Risk**

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

Exposure to Interest Rate Risk

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

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Fixed Rate Borrowings	81,092.56	75,439.74
Floating Rate Borrowings	-	86.19
Total Borrowing	**81,092.56**	**75,525.93**

Interest rate sensitivity analysis

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended March 31, 2022 would decrease/increase by NIL (for the year ended March 31, 2021: decrease/increase by Rs. 0.43 lakhs)

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 9) considered by the Management for this purpose are as under:

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	3,335.64	2,743.71
Other trade receivables	6,325.72	7,227.82
	9,661.36	**9,971.53**

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2022 on account of carrying amount of loans /advances /deposit, trade and other receivables and guarantees is disclosed in note 13 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelating parties is minimised as the Company deals only with reputed parties. Cash and cash equivalents are held with reputable and credit-worthy banks.

iv. Liquidity risk

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

Liquidity table:

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

(Rs. in Lakh)

	On demand	< 1 year	1 – 3 years	3 - 5 years	> 5 years	Total
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**
As at 31-Mar-21						
Borrowings	-	29,803.38	25,722.55	-	20,000.00	75,525.93
Trade payables	-	12,637.58	-	-	-	12,637.58
Other financial liabilities	841.11	1,206.25	-	-	-	2,047.36
Total	**841.11**	**43,647.21**	**25,722.55**	**-**	**20,000.00**	**90,210.87**

42. Details of significant changes in key financial ratios

S. no	Ratio Analysis	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance
1	Current Ratio	Current Assets	Current Liabilities	0.51	0.86	-40.6%
2	Debt Equity Ratio	Total Liabilities	Shareholder's Equity	-3.76	-8.41	-55.3%
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	(5.19)	(11.38)	-54.4%
4	Return on Equity Ratio	Profit for the period	Avg. Shareholders Equity	0.83	6.96	-88.1%
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	2.99	2.10	42.5%
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.76	2.03	36.4%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	3.08	2.44	26.1%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(0.94)	(4.09)	-76.9%
9	Net Profit Ratio	Net Profit	Net Sales	(0.31)	(0.43)	-28.2%
10	Return on Capital employed	EBIT	Capital Employed	(0.10)	(0.13)	-20.0%

Current Ratio: Deterioration on account of increase in current maturity of long term debts.

Debt Equity Ratio: Deterioration on account of accumulation of current year net loss in equity.

Debt Service Coverage Ratio: Deterioration on account of decrease in net operating income.

Return on Equity Ratio: Deterioration on account of net losses during the financial year 2021-22

Inventory Turnover Ratio: Improvement on account of growth in revenue and inventory optimisation.

Trade Receivables Turnover Ratio: Improvement on account of growth in revenue, faster collection and impact of Covid-19 pandemic in the base year.

Trade Payables Turnover Ratio: Improvement on account of operational efficiency.

Net Capital Turnover Ratio: Deterioration on account of increase in current maturity of long term debts.

43. Exceptional items

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

B. As on 31st March 2020, management has considered that the losses suffered by New Vardhman Vitrified Private Limited, a subsidiary company, and suspension of its operations indicate an impairment in the carrying value of the investment & loans given to subsidiary. Accordingly management has estimated a provision of Rs. 3,832.11 Lakhs as a diminution in the carrying value of its investment and loans. Decision of the management is mainly based on existing market conditions. Management has also recognized impairment in certain categories of financial and non-financial assets aggregating to Rs. 6,987.12 lakhs

44. 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 either repayable on demand or without specifying any terms or period of repayment during the year. However, the company has given loan to NRPL which is

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

repayable on demand and without specifying any terms or period of repayment in previous years. The balance as at the year-end of such loan is as under:

Description	All Parties	Promoters	Related parties
The aggregate amount of loans/ advances in nature of loans	-	-	-
Repayable on demand (A)	-	-	-
The agreement does not specify any terms or period of repayment (B)	-	-	-
There is no agreement (C)	10,03,66,213	9,19,098	58,88,34,539
Total (A+B+C)	10,03,66,213	9,19,098	58,88,34,539
Percentage of loans/ advances in nature of loans to the total loans	14.54%	0.13%	85.33%

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. None of the companies in the Company have 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 no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

VIII. The Company has not entered into any scheme of arrangement which has an accounting impact on current and previous year.

IX. During the year no funds raised on short-term basis have been used for long-term purposes by the Company.

X. The Company has complied with the number of layers prescribed under the Companies Act, 2013

XI. There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.

45. Balance confirmation

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

46. The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 26th May, 2022

47. 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 Nayak & Rane
Chartered Accountants
FRN No. 117249W

Kishore Rane
Partner
Membership No.: 100788

Place : Mumbai
Dated : 26th May, 2022

For and on behalf of the Board

Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)

Manish Puri
Director
(DIN: 02615918)

Shirish Suvagia
Chief Financial Officer

Note

NITCO LIMITED
Nitco House, Sheth Govindram Jolly Marg,
Kanjur Marg (E), Mumbai - 400042.
Tel.: +91-22-67521555 | Fax: +91-22-67521500.
To Locate the nearest Exclusive Le Studio in your city,
Please call Toll free:1800 266 4826| marketing@nitco.in

www.nitco.in