

NITCO/SE/2024-25/27

August 13, 2024

To,

Corporate Service Department <b>BSE Limited</b> Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Script code: <b>532722</b>	The Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Script code: <b>NITCO</b>
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**Sub: Outcome of the Board Meeting of NITCO Limited ("the Company") held today i.e. Tuesday, August 13, 2024**

Dear Sir/Madam,

Pursuant to Regulation 30 read together with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), we hereby inform that the Board of Directors of the Company at their meeting held today i.e. Tuesday, August 13, 2024 has *inter-alia* transacted the following business:

1. Considered and approved the Un-audited Financial Results (Standalone and Consolidated) for the quarter and three months ended June 30, 2024 (Q1).

*A copy of Un-audited Financial Results along with the Limited Review Report thereon, are attached herewith.*

2. Considered and approved the appointment of:
  - a. M/s. SK P A G & Co., a Chartered Accountants firm (FRN: 128940W) as Internal Auditors of the Company for Quarter 2 to Quarter 4 (i.e. July 2024 to March 2025).
  - b. R. K. Bhandari proprietor of M/s. R. K. Bhandari and Co., (FRN: 101435) as Cost Accountants of the Company for the Financial Year 2024-25.

Disclosure of information pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is enclosed as Annexure I.

# NITCO

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3. Subject to requisite approvals, granted options under the Nitco - Employees Stock Option Plan 2019 (which are lapsed till date) to eligible employees as approved by Nomination and Remuneration Committee at their meeting held today i.e., Tuesday, August 13, 2024.

The Meeting of Board of Directors of the Company commenced at 11:45 A.M. and concluded at 01:15 P.M.

Kindly take the above information on your records.

Thanking You,

Yours faithfully,  
For **NITCO Limited**

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**Vivek Talwar**  
**Chairperson & Managing Director**  
**DIN: 00043180**



**Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023**

**2.a. M/ s. S K P A G & Co., a Chartered Accountants as Internal Auditors of the Company**

Sr. no.	Particulars	Disclosures
1.	Reason for change viz., appointment, re-appointment, <del>resignation, removal, death or otherwise;</del>	Appointment
2.	Date of appointment/ <del>cessation (as applicable)</del> & terms of appointment	August 13, 2024  Appointed as the Internal Auditor of the Company for conducting Internal audit for Quarter 2 to Quarter 4 (i.e. July 2024 to March 2025) of Financial Year 2024-25.
3.	Brief profile (in case of appointment)	M/s. S K P A G & Co., a Chartered Accountants firm, was established in 2008 having its headquarters in Thane and branch offices in New Delhi and Bhubaneswar. Having advised many corporates including Listed Companies, MSMEs, Professionals in India, S K P A G & Co. has vast experience in audit, accounting & taxation with different industry segments like Banking & NBFC, Real Estate, Technology, Media, EPC Metals, BPO and FMCG. Their services includes Audit & Assurance, Advisory Services, Compliance and Outsourcing, Direct & Indirect Taxation and other services.
4.	Disclosure of relationships between directors (in case of appointment of a Director).	Not Applicable

## 2.b. R. K. Bhandari proprietor of M/s. R. K. Bhandari and Co., as Cost Accountants of the Company

Sr. no.	Particulars	Disclosures
1.	Reason for change viz., appointment, re-appointment, <del>resignation, removal, death or otherwise;</del>	Appointment
2.	Date of appointment/ <del>cessation (as applicable)</del> & terms of appointment	August 13, 2024  Appointed as the Cost Auditor of the Company for conducting Cost Audit for for the Financial Year 2024-25.
3.	Brief profile (in case of appointment)	R K Bhandari and Co. is based in Jaipur. The firm/Company was established in the year 2012 and has more than 12 years of experience. It caters various services which includes local body tax registration consultants, sales tax return filing, and accounting services etc.
4.	Disclosure of relationships between directors (in case of appointment of a Director).	Not Applicable


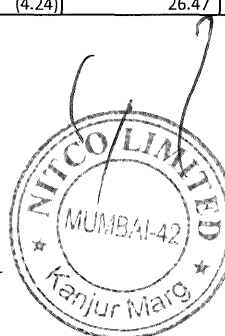
## NITCO LIMITED

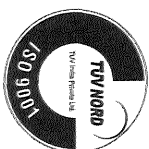
Registered Office: 3/A, Recondo Compound, Sudam Kalu Ahire Marg, Glaxo, Worli Colony, Mumbai, Maharashtra, India, 400 030.  
Tel No.: 91-22-25772800, Fax: 022 25786484, Email: investorgrievances@nitco.in, Website: www.nitco.in, CIN: L26920MH1966PLC016547

### STATEMENT OF STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Rs. in Lakhs, except earnings per share)

Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended		Year ended		Three Month Ended		Year Ended	
	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
<b>Revenue from Operations</b>								
Sale of Products	6,911.31	7,088.60	9,120.07	32,075.15	6,966.07	7,147.77	9,173.05	32,296.60
Other operational revenue	20.20	30.47	70.13	225.67	56.11	30.47	70.13	225.67
<b>Total Revenue from Operations</b>	<b>6,931.51</b>	<b>7,119.07</b>	<b>9,190.20</b>	<b>32,300.82</b>	<b>7,022.18</b>	<b>7,178.24</b>	<b>9,243.18</b>	<b>32,522.27</b>
Other Income	116.01	72.29	171.05	481.76	116.17	76.07	171.21	486.01
<b>Total Income</b>	<b>7,047.52</b>	<b>7,191.36</b>	<b>9,361.25</b>	<b>32,782.58</b>	<b>7,138.35</b>	<b>7,254.31</b>	<b>9,414.39</b>	<b>33,008.28</b>
<b>Expenses</b>								
Cost of materials consumed	837.44	1,035.94	819.81	4,187.17	885.00	1,086.84	865.56	4,377.26
Purchase of Stock in trade	4,407.25	4,709.15	6,019.24	20,373.84	4,407.25	4,709.15	6,019.24	20,373.84
Changes in inventories of finished goods, Stock in trade and work-in-progress	277.89	885.85	301.88	1,125.03	277.89	885.85	301.88	1,125.03
Employee benefits expense	1,279.45	1,383.60	1,365.47	5,586.50	1,279.45	1,383.60	1,365.47	5,586.50
Depreciation and amortization expense	714.63	725.15	724.14	2,916.21	714.63	725.15	724.14	2,916.21
Finance cost (net)	2,646.77	2,503.17	2,194.83	9,517.84	2,674.18	2,538.04	2,194.86	9,552.78
Other expenses	1,235.99	1,263.72	1,179.24	4,701.65	1,251.95	1,272.32	1,187.04	5,346.54
<b>Total Expenses</b>	<b>11,399.42</b>	<b>12,506.58</b>	<b>12,604.61</b>	<b>48,408.24</b>	<b>11,490.35</b>	<b>12,600.95</b>	<b>12,658.19</b>	<b>49,278.16</b>
<b>Loss before tax</b>	<b>(4,351.90)</b>	<b>(5,315.22)</b>	<b>(3,243.36)</b>	<b>(15,625.66)</b>	<b>(4,352.00)</b>	<b>(5,346.64)</b>	<b>(3,243.80)</b>	<b>(16,269.88)</b>
<b>Tax expenses</b>								
Current Tax	-	-	-	-	-	(0.54)	-	(0.54)
Deferred Tax	-	-	-	-	-	-	-	-
(Short) / Excess provision for tax (earlier years)	-	-	(32.89)	(32.89)	-	6.12	(32.89)	(26.77)
<b>Net Profit/ (Loss) after tax for the period</b>	<b>(4,351.90)</b>	<b>(5,315.22)</b>	<b>(3,276.25)</b>	<b>(15,658.55)</b>	<b>(4,352.00)</b>	<b>(5,341.06)</b>	<b>(3,276.69)</b>	<b>(16,297.19)</b>
Profit/ (Loss) attributable to Non-Controlling Interest	-	-	-	-	(0.07)	153.11	(0.10)	(0.27)
Profit/(Loss) attributable to the Owners of the Parent	-	-	-	-	(4,351.93)	(5,494.17)	(3,276.59)	(16,296.92)
<b>Other Comprehensive Income (OCI)</b>								
(i) Items that will not be reclassified to profit or loss	(4.24)	26.47	(12.64)	8.53	(4.24)	26.47	(12.64)	8.53
(ii) Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income (OCI)</b>	<b>(4.24)</b>	<b>26.47</b>	<b>(12.64)</b>	<b>8.53</b>	<b>(4.24)</b>	<b>26.47</b>	<b>(12.64)</b>	<b>8.53</b>
OCI attributable to Non-Controlling Interest	-	-	-	-	-	-	-	-
OCI attributable to the Owners of the Parent	(4.24)	26.47	(12.64)	8.53	(4.24)	26.47	(12.64)	8.53



## NITCO LIMITED

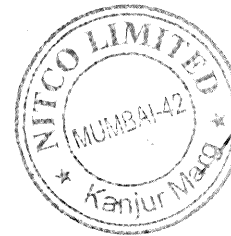
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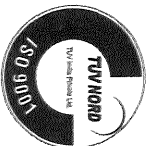
(Rs. in Lakhs, except earnings per share)

Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended		Year ended		Three Month Ended		Year Ended	
	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
Total Comprehensive Income	(4,356.14)	(5,288.75)	(3,288.89)	(15,650.02)	(4,356.24)	(5,314.59)	(3,289.33)	(16,288.66)
Non-Controlling Interest	-	-	-	-	(0.07)	153.11	(0.10)	(0.27)
Total Comprehensive Income for the period attributable to the Owners of the Parent	(4,356.14)	(5,288.75)	(3,288.89)	(15,650.02)	(4,356.17)	(5,467.70)	(3,289.23)	(16,288.39)
Paid-up equity share capital (Face Value Rs. 10 per share)	7,185.90	7,185.90	7,185.90	7,185.90	7,185.90	7,185.90	7,185.90	7,185.90
Reserves excluding revaluation reserves as per balance sheet				(57,406.88)				(58,402.56)
Earnings per share (Face Value of Rs.10/- each) (not annualized):								
Basic	(6.06)	(7.40)	(4.56)	(21.79)	(6.06)	(7.43)	(4.56)	(22.68)
Diluted	(6.06)	(7.40)	(4.56)	(21.79)	(6.06)	(7.43)	(4.56)	(22.68)

Place : MUMBAI  
Date : 13-August-2024



  
**Vivek Talwar**  
 Chairman & Managing Director  
 (DIN: 00043180)

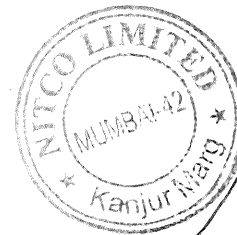


**SEGMENTWISE REVENUE, RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

(Rs in Lakhs)

Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended		Year ended		Three Month Ended		Year ended	
	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)	30.06.2024 (Unaudited)	31.03.2024 (Audited) (Refer Note no.12)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
<b>Net Sales/ Income from Operations</b>								
- Tiles and other related products	6,931.41	7,119.02	9,189.32	32,298.94	6,931.41	7,119.02	9,189.32	32,298.94
- Real estate	0.10	0.05	0.88	1.88	90.77	59.22	53.86	223.33
<b>Total Revenue</b>	<b>6,931.51</b>	<b>7,119.07</b>	<b>9,190.20</b>	<b>32,300.82</b>	<b>7,022.18</b>	<b>7,178.24</b>	<b>9,243.18</b>	<b>32,522.27</b>
<b>Segment results</b>								
- Tiles and other related products	(1,530.01)	(2,877.86)	(1,289.46)	(6,607.11)	(1,530.01)	(2,877.86)	(1,289.59)	(6,607.11)
- Real estate	(291.13)	(6.48)	69.88	17.53	(263.98)	(6.81)	69.44	(596.00)
<b>Total Segment Profit Before Finance Cost and Tax</b>	<b>(1,821.14)</b>	<b>(2,884.34)</b>	<b>(1,219.58)</b>	<b>(6,589.58)</b>	<b>(1,793.99)</b>	<b>(2,884.67)</b>	<b>(1,220.15)</b>	<b>(7,203.11)</b>
Interest and other financial cost	2,646.77	2,503.17	2,194.83	9,517.84	2,674.18	2,538.04	2,194.86	9,552.78
Other Income	116.01	72.29	171.05	481.76	116.17	76.07	171.21	486.01
<b>Loss before tax</b>	<b>(4,351.90)</b>	<b>(5,315.22)</b>	<b>(3,243.36)</b>	<b>(15,625.66)</b>	<b>(4,352.00)</b>	<b>(5,346.64)</b>	<b>(3,243.80)</b>	<b>(16,269.88)</b>
<b>Segmental Assets</b>								
- Tiles and other related products	43,089.08	48,290.64	53,258.16	48,290.64	46,173.33	51,373.92	56,342.38	51,373.92
- Real estate	27,935.30	21,109.52	23,011.92	21,109.52	31,837.17	21,208.06	22,934.72	21,208.06
- Unallocated/ Corporate	594.92	446.42	411.85	446.42	595.23	446.42	411.85	446.42
<b>Total Segmental Assets (A)</b>	<b>71,619.30</b>	<b>69,846.58</b>	<b>76,681.93</b>	<b>69,846.58</b>	<b>78,605.73</b>	<b>73,028.40</b>	<b>79,688.95</b>	<b>73,028.40</b>
<b>Segment Liabilities</b>								
- Tiles and other related products	21,281.82	23,343.98	23,849.17	23,343.98	25,973.52	28,035.71	28,540.87	28,035.71
- Real Estate	14,480.91	240.18	191.17	240.18	19,494.96	1,450.79	587.90	1,450.79
- Unallocated/ Corporate	90,433.69	96,483.40	90,502.77	96,483.40	90,433.67	96,483.40	90,502.77	96,483.40
<b>Total Segment Liabilities (B)</b>	<b>1,26,196.42</b>	<b>1,20,067.56</b>	<b>1,14,543.11</b>	<b>1,20,067.56</b>	<b>1,35,902.15</b>	<b>1,25,969.90</b>	<b>1,19,631.54</b>	<b>1,25,969.90</b>

Place : MUMBAI  
Date : 13-August-2024



Vivek Talwar  
Chairman & Managing Director  
(DIN: 00043180)



1. The above financial results were reviewed by the audit committee and thereafter taken on record by the Board of Directors at their Meeting held on 13<sup>th</sup> August, 2024. The same have also been subjected to Limited Review by the Statutory Auditors.
2. The above results have been prepared in accordance with the principles and procedures of the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
3. **Material Uncertainty related to Going Concern**

In 2018, the Company had received sanction from JM Financial Asset Reconstruction Company Limited ("JMFARC") for restructuring of Company's debt vide a Restructuring Agreement dated 27th March, 2018 entered between the Company and JMFARC.

In accordance with the terms of the Restructuring agreement, the Company was obligated to ensure repayment of the Restructured Facilities, along with interest thereon in the manner specified in the Restructuring Agreement. Upon failure to ensure repayment of restructured facilities, JMFARC shall have an absolute right to revoke the reliefs and concessions granted in the Restructuring agreement.

The Company had committed default in ensuring the repayments of the restructuring facility. On 19th September, 2022 JMFARC had revoked the restructuring of existing facilities (excluding the NCD and RPS facility) and the dues amounting to Rs. 2,42,762.93 Lakhs has been reinstated, however as per books of accounts the loans are not reinstated and the balance as at 30th June, 2024 is Rs. 67,505.18 Lakhs.

#### NCLT proceedings:

The Company had received an email on 15th November, 2022 from JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014- Trust) - Financial Creditor w.r.t. filing of Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process (CIRP). The aforesaid application is numbered as C.P. (IB)/1308(MB)2022. The application is listed on the NCLT under cause list and the petition is at Pre-admission/ not admitted stage.

JMFARC had also filed the CIRP against Corporate Guarantors namely Melisma finance and Trading Pvt.Ltd (Erstwhile named as Aurella Estate and Investments Pvt. Ltd), entity having significant influence over the Company, Nitco Realities Pvt. Ltd. (Subsidiary) and Meghdoot Properties Pvt. Ltd., Feel Better Housing Pvt. Ltd., Maxwealth Properties Private Limited, Silver-Sky Real Estate Pvt. Ltd. (4 step-down Subsidiaries). All the above petitions are at Pre-admission/ not admitted stage.

#### DRT Proceedings:

The Company had received an email on 9th January, 2023 from Applicant JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-Corporation Bank Ceramics September 2015- Trust) w.r.t. filing of Miscellaneous Application (MA) under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act to initiate recovery proceedings. By way of the aforesaid MA, the Applicant is praying issuance of Recovery Certificate of Rs.7,354.43 Lakhs due as on 29th June, 2015 along with interest @14.45 per cent per annum compounded with monthly rests. The aforesaid application was numbered as Misc. Application No. 4 of 2023.

The Hon'ble Debt Recovery Tribunal – I, Mumbai, after hearing both the sides, finally reserved the Order on 3rd November, 2023 against the Company. On 9th January, 2024 The Hon'ble Debt Recovery Tribunal-I uploaded the



Order allowing the Miscellaneous Application and issued Recovery Certificate to the tune of Rs. 7,354.43 Lakhs and stated this would be reduced by Rs. 215.61 Lakhs which has already been deposited by the Company.

For future course of action, the Company understands from its legal counsels that the Remedy to file Appeal in Debt Recovery Appellate Tribunal shall be preferred within reasonable time which triggers once the certified true copy of the order is received by the Company from the Court. The Company through its Advocate has applied for certified true copy of the aforesaid DRT Order on 4th January, 2024. The Company has yet not received the certified true copy of the said Order. The Company as Appellant is contemplating and exploring all other legal options to stay the aforesaid DRT Order.

The Company is taking appropriate legal advice and is taking all appropriate steps to protect its interest in the aforesaid matter. The Company has filed a reply with Hon'ble NCLT citing appropriate defence.

On 20th April, 2024 the Company had received communication from JMFARC notifying the Company that pursuant to the Assignment Agreement dated 20th April, 2024, JMFARC had assigned the financial assets of the Company together with all underlying rights, titles, interests, securities, guarantees etc. thereof in favour of Authum Investment & Infrastructure Limited ("AIIIL").

Currently, all NCLT proceeding against the Company and the Corporate Guarantors has been substituted by AIIIL and the substitution process in the DRT proceeding is ongoing.

The Company is also in the process to raise funds for working capital which would help in clearing old dues and ease liquidity into business operations.

The Company is in the process of negotiating with AIIIL for restructuring the facilities. Pending further closure to the current negotiations, no adjustment is made in the books of accounts.

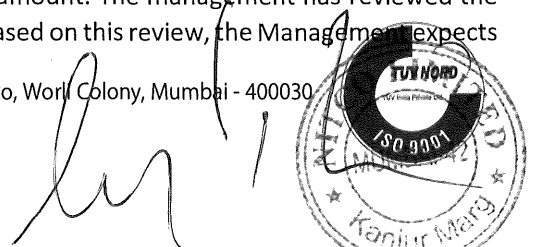
The NCLT matter with regard to the Company and related entities with AIIIL is now listed for hearing on various dates of August and September, 2024.

4. The Company is continuing its efforts to negotiate with LIC for one time settlement / restructuring of its facility (principal outstanding Rs. 1,830.39 Lakhs as on 30.06.2024). Pending closure to the negotiations with LIC, no further adjustment for provision of interest amounting to Rs 2,903.10 Lakhs is made.
5. The Additional Director General Foreign Trade (ADGFT) 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 filed a Writ Petition in Bombay High Court as the said Order was bad in law & not in accordance to the cardinal Principles of Equity, Law and Good Conscience. No provision has been made in the books of accounts for the same.
6. During the previous year, the Company had received an order from the Revenue Department quashing its demand w.r.t. unearned income in favour of the Company. The company is in the process of obtaining various regulatory approvals to make the immovable property located at Kanjurmarg, currently held as inventory (Real Estate), marketable. The company has also obtained shareholder's approval for sale of the said property for a monetary consideration of Rs. 23,200 lakhs and non-monetary consideration in the form of office space in the proposed project to be developed by the Buyer, which will get finalised after the said property becomes marketable. During the quarter the Company has received an advance of Rs. 14,300 lakhs from the Buyer against this transaction.
7. The company had in past given capital advance of Rs. 995.99 lakhs to Saumya Buildcon Pvt Ltd (SBPL) for procurement of land for which transaction did not materialize due to condition of real estate market. In the previous financial year, the Company had recovered Rs. 140.77 lakhs against the said advance. The Company had received balance confirmation from SBPL as at 31<sup>st</sup> March, 2024 confirming the balance amount. The management has reviewed the SBPL's financial statements to assess their ability to repay the advance. Based on this review, the Management expects

**Registered Office :** NITCO Limited, 3/A, Recondo Compound, Sudam Kalu Ahire Marg, Glaxo, Worli Colony, Mumbai - 400030

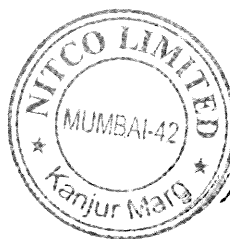
Tel.: 91-22 -25772800 / 25772790, CIN: L26920MH1966PLC016547.

Email : investorgrievances@nitco.in Website: www.nitco.in



- advance to be fully recovered in FY 2025 and hence no provision has been made in the books of accounts for the same.
8. On 27th January, 2020, lock out was declared in tiles manufacturing unit situated at Alibaug. The Management had reached a settlement with the Alibaug Union representing the 250 workmen of the plant out of which 240 workers have accepted the settlement agreement for which due provision has been made in the books of accounts. The Lockout at the Alibaug plant continues. The management is of opinion that, considering the entire Property, Plant, and Equipment (PPE), including Land and Building at Alibaug, as a single Cash Generating Unit, there is no need for an impairment provision.
  9. The Balance with respect to certain bank balances, borrowings from financial institutions, other current asset and liabilities are subject to confirmation and the balances are currently reported in the result as per the books of accounts.
  10. New Vardhman Vitriified Pvt. Ltd. (NVVPL) was subsidiary of the Company till 10th December, 2020. NVVPL ceased to be subsidiary with effect from this date. However, the share transfer has not been effected pending NOC from one of the lender. Accordingly, the assets and liabilities of NVVPL has been classified as assets held for Sale in the Statement of Asset and Liabilities.
  11. The Company had advanced in earlier year's to Nitco Realities Private Limited ("NRPL"), a wholly owned subsidiary of the company in the form of Equity Investment of Rs. 694.59 lakhs and Loans of Rs. 5,885.10 lakhs (which currently stands as Rs. 1,145.24 lakhs), which was further advanced by NRPL to its various subsidiary and other entities for acquiring land. Due to conditions of Real Estate market and financial crunch in company some of the proposed real estate project did not materialise. On 20<sup>th</sup> March, 2024, the Company had received Show Cause Notice ("SCN") from Securities and Exchange Board of India ("SEBI") alleging under provisioning of Rs. 1,452 Lakhs in FY 2018-19 to FY 2021-22. The Company has provided response to the SCN and has also filed an application with SEBI proposing for a settlement under the Securities and Exchange Board of India ("SEBI") (Settlement Proceedings) Regulations, 2018. Pending settlement, NRPL had made a provision for expected credit loss in FY 2023-24 of Rs. 747 lakhs.
- In FY 2023-24, the Company had appointed an independent valuer to conduct fair valuation of land in NRPL along with its subsidiaries. Basis such valuation, the management believes that the loans given by the Company to NRPL are recoverable and also the value of its Equity Investment is adequately supported. Accordingly, no provision for impairment in the value of its equity investment and expected credit loss for loans given is recorded by the Company.
12. The figures for the quarter ended 31st March, 2024 are the balancing figures between the audited figures in respect of the full financial year and year to date figures up to the third quarter of the Financial Year.
  13. The previous quarter/ year figures are regrouped/ restated/ reclassified/ rearranged, wherever necessary, to make them comparable.

Place : MUMBAI  
Date : 13th August 2024



**Vivek Talwar**  
Chairman & Managing Director

(DIN: 00043180)



**Independent Auditors' Limited Review Report on the Unaudited Standalone Financial Results of the Company for the Quarter ended on 30<sup>th</sup> June, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to The Board of Directors of Nitco Limited**

1. We have reviewed the accompanying unaudited Standalone financial results ("the Statement") of **Nitco Limited** ("the Company") for the quarter ended 30<sup>th</sup> June, 2024 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Qualified Opinion**  
Based on our review conducted as above, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.





## **Basis for Qualified Opinion**

### **Material Uncertainty Related to Going Concern**

The Company continues to incur losses resulting in an erosion of its net worth and its current liabilities exceeds current assets as of 30<sup>th</sup> June, 2024.

We draw your attention to Note 3 of the financial results as regards revocation of the existing restructured facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). - (Financial Creditor), vide letter dated 19 September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 30<sup>th</sup> June, 2024 is Rs. 67,505.18Lakhs).

On 15<sup>th</sup> November 2022, the Financial Creditor has made an Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process.

Further, on 3<sup>rd</sup> November 2023, the Hon'ble Debt Recovery Tribunal - I, Mumbai has passed an order against the Company & in favour of JMFARC Ltd (acting in its capacity as trustee of JMFARC- Corporation Bank Ceramics September 2015- Trust) w.r.t filing of Miscellaneous Application under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act and issued recovery certificate to the tune of Rs. 7,138.82 Lakhs alongwith interest @ 14.45 percent per annum compounded with monthly rests.

We are informed that the Company is seeking appropriate legal advice and will take all appropriate steps to protect its interest in both the aforesaid matters. Accordingly, no adjustments have been made to the carrying values of the liabilities and their presentation and classifications in the results and are accounted on going concern basis.

On 20<sup>th</sup> April, 2024 the Company has received communication from JMFARC notifying that pursuant to the Assignment Agreement dated 20<sup>th</sup> April, 2024, JMFARC has assigned the financial assets of the Company together with all underlying rights, titles, interests, securities, guarantees etc. thereof in favour of Authum Investment & Infrastructure Limited ("AIIIL")

*Due to revocation of existing facilities of JMFARC and their filing of application with NCLT to initiate Corporate Insolvency Resolution Process, alongwith issuance of recovery certificate of Rs. 7,138.82 Lakhs by the Debt Recovery Tribunal in their favour, we have concluded that material uncertainty exists relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. The Company has received a communication regarding the assignment of the financial assets of the Company to AIIIL and is in the process of re-negotiating the terms with AIIIL. The Company is pursuing various avenues to raise funds, continue business operations and monetize its assets. The Company is in the process to conclude re-negotiation and obtain a replacement financing. Pending the outcome of the negotiations, we are not able to quantify the possible effects of this qualification on the Company's loss for the quarter and Company's financial position as at 30<sup>th</sup> June 2024.*





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

**Our opinion is modified in respect of this matter.**

**Non Provision of Interest on Outstanding Loan of LIC**

*We draw attention to Note 4 to the financial results, Company has not provided interest on the outstanding borrowings of LIC of Rs. 1,830.39 lakhs (Principal outstanding), as it is hopeful of its restructuring. This unilateral discontinuing of interest accrual by the Company is not in compliance with Ind AS 109 and has resulted in understatement of outstanding loan of the Standalone Company as on 30 June 2024 by Rs. 2,903.10 Lakhs (Cumulative Upto 31 March 2024 Rs. 2,850.65 Lakhs).*

**Our opinion is modified in respect of this matter.**

**5. Emphasis of Matters**

We draw attention to certain other matters and its consequential impact, if any, on the results including their presentation / disclosure:

- i. Refer Note 5 to the financial results, Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000.00 lakhs which is confirmed by the Appellate bench of DGFT, New Delhi. No provision for the demand is made in the books. Management has received legal opinion that the order is bad in law.
- ii. Refer Note 7 to the financial results, Management has not made provision for impairment of Rs. 855.22 lakhs w.r.t. capital advance given to Saumya Buildcon Pvt Ltd.
- iii. Refer to Note 8 of the financial results, Management has assessed the Property, Plant, and Equipment (PPE), including Land and Building at the Alibaug plant, as a single Cash Generating Unit, and has determined that no impairment provision is necessary.
- iv. Refer Note 9 to the financial results, the balance with respect to certain bank balances, borrowings from banks and financial institutions, other current assets and liabilities are subject to confirmations and the balances are currently reported in the results as per the books of accounts.
- v. Refer Note 10 to the financial results, Management has not made provision for impairment of Rs. 1,839.83 lakhs w.r.t. money invested / advanced to Nitco Realities Private Limited by way of Investments in Equity Shares and Loans.

Our opinion is not modified in respect of these matters.

For M M Nissim & Co LLP  
Chartered Accountants  
(Reg. No. 107122W/W100672)



**N. KASHINATH**  
Partner

Mem. No. 036490

Mumbai, 13 August 2024.

UDIN: 24036490BKGTUA5910



**Independent Auditors' Limited Review Report on the Unaudited Consolidated Financial Results of the Company for the Quarter ended on 30<sup>th</sup> June 2024 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**Review Report to The Board of Directors of Nitco Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Nitco Limited (the 'Holding Company') and its subsidiaries ("the Holding Company and its Subsidiaries together referred to as the 'Group') for the quarter ended on 30<sup>th</sup> June 2024 ("Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the financial results based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all Significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing regulations, to the extent applicable.





4. The Statement includes the results of the following:

**A. Subsidiaries:**

- i. Nitco Realities Private Limited

**B. Step Down Subsidiaries:**

- i. Maxwealth Properties Private Limited  
ii. Meghdoot Properties Private Limited  
iii. Roaring Lion Properties Private Limited  
iv. Feel Better Housing Private Limited  
v. Quick Solutions Properties Private Limited  
vi. Silver Sky Real Estates Private Limited  
vii. Opera Properties Private Limited  
viii. Ferocity Properties Private Limited  
ix. Glamorous Properties Private Limited  
x. Nitco IT Parks Private Limited  
xi. Nitco Aviation Private Limited  
xii. Aileen Properties Private Limited  
xiii. Quick Innovation Lab Private Limited

**5. Qualified Opinion**

Based on our review conducted as above, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Qualified Opinion**

**Material Uncertainty Related to Going Concern**

The Parent Company continues to incur losses resulting in an erosion of its net worth and its current liabilities exceeds current assets as of 30<sup>th</sup> June 2024.

We draw your attention to Note 3 of the financial results as regards revocation of the existing restructured facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). - (Financial Creditor), vide letter dated 19 September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 30<sup>th</sup> June 2024 is Rs. 67,505.18 Lakhs).



## 6. Emphasis of Matters

We draw attention to certain other matters and its consequential impact, if any, on the results including their presentation / disclosure:

- i. Refer Note 5 to the financial results, Additional Director General Foreign Trade (ADGFT) had levied penalty of Rs. 17,000.00 lakhs which is confirmed by the Appellate bench of DGFT, New Delhi. No provision for the demand is made in the books. Management of parent company has received legal opinion that the order is bad in law.
- ii. Refer Note 7 to the financial results, Management of parent company has not made provision for impairment of Rs. 855.22 lakhs w.r.t. capital advance given to Saumya Buildcon Pvt Ltd.
- iii. Refer to Note 8 of the financial results, Management has assessed the Property, Plant, and Equipment (PPE), including Land and Building at the Alibaug plant, as a single Cash Generating Unit, and has determined that no impairment provision is necessary.
- iv. Refer Note 9 to the financial results, the balance with respect to certain bank balances, borrowings from banks and financial institutions, other current assets and liabilities are subject to confirmations and the balances are currently reported in the results as per the books of accounts.
- v. Refer Note 10, New Vardhman Vitriified Pvt. Ltd. (NVVPL) was subsidiary of the Parent Company till 10th December, 2020. NVVPL ceased to be subsidiary with effect from this date. However, the share transfer has not been effected pending NOC from some of the lenders. Accordingly, the assets and liabilities of NVVPL has been classified as held for sale in the Statement of Asset and Liabilities.

Our opinion is not modified in respect of these matters.

## 7. Other Matters

The Statement includes the unaudited interim financial results and other financial information in respect of one subsidiary and thirteen step down subsidiaries, whose interim financial results / information reflects total revenue of Rs. 90.83 lakhs, total net loss after tax of Rs. 0.10 Lakhs and total comprehensive loss of Rs. 0.10 Lakhs or the quarter ended 30<sup>th</sup> June 2024, respectively.





On 15<sup>th</sup> November 2022, the Financial Creditor has made an Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process.

Further, on 3<sup>rd</sup> November 2023, the Hon'ble Debt Recovery Tribunal - I, Mumbai has passed an order against the Parent Company & in favour of JMFARC Ltd (acting in its capacity as trustee of JMFARC- Corporation Bank Ceramics September 2015- Trust) w.r.t filing of Miscellaneous Application under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act and issued recovery certificate to the tune of Rs. 7,138.82 Lakhs alongwith interest @ 14.45 percent per annum compounded with monthly rests.

We are informed that the Parent Company is seeking appropriate legal advice and will take all appropriate steps to protect its interest in both the aforesaid matters. Accordingly, no adjustments have been made to the carrying values of the liabilities and their presentation and classifications in the results and are accounted on going concern basis.

On 20th April, 2024 the Parent Company has received communication from JMFARC notifying that pursuant to the Assignment Agreement dated 20th April, 2024, JMFARC has assigned the financial assets of the Group together with all underlying rights, titles, interests, securities, guarantees etc. thereof in favour of Authum Investment & Infrastructure Limited ("AAIL")

*Due to revocation of existing facilities of JMFARC and their filing of application with NCLT to initiate Corporate Insolvency Resolution Process, alongwith issuance of recovery certificate of Rs. 7,138.82 Lakhs by the Debt Recovery Tribunal in their favour, we have concluded that material uncertainty exists relating to events or conditions that may cast significant doubt on the Parent entity's ability to continue as a going concern. The Parent Company has received a communication regarding the assignment of the financial assets of the Parent Company to AAIL and is in the process of re-negotiating the terms with AAIL. The Parent Company is pursuing various avenues to raise funds, continue business operations and monetize its assets. The Parent Company is in the process to conclude re-negotiation and obtain a replacement financing. Pending the outcome of the negotiations, we are not able to quantify the possible effects of this qualification on the Group's loss for the quarter and Group's financial position as at 30<sup>th</sup> June 2024.*

*Based on our review conducted, we have concluded that material uncertainty exists relating to events or conditions that may cast significant doubt on the Parent entity's ability to continue as a going concern.*

**Our opinion is modified in respect of this matter.**

### **Non Provision of Interest on Outstanding Loan of LIC**

*Refer Note 4 to the financial results, the Parent Company has not provided interest on the outstanding loan of LIC of Rs. 1,830.39 lakhs (Principal outstanding), as it is hopeful of its restructuring. This unilateral discontinuing of interest accrual by the Parent Company is not in compliance with Ind AS 109 and has resulted in understatement of outstanding loan of the Group as on 30 June 2024 by Rs. 2,903.10 Lakhs (Cumulative Upto 31 March 2024 Rs.2,850.65 Lakhs).*

**Our opinion is modified in respect of this matter.**



The unaudited interim financial results and other unaudited financial information of its subsidiary and thirteen step down subsidiaries have not been reviewed by its auditor's and has been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of one subsidiary and thirteen step down subsidiaries is based solely on such unaudited interim financial results and other financial information. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our opinion is not modified in respect of this matter.

**For M M Nissim & Co LLP**  
**Chartered Accountants**  
(Reg. No. 107122W/W100672)



**N. KASHINATH**

Partner

Mem. No. 036490

Mumbai, 13 August 2024.

UDIN: 24036490BKGTUB2767

