



Date: 13<sup>th</sup> August 2024

To,  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001,  
Scrip code - 532854

To,  
National Stock Exchange of India Ltd  
Exchange plaza, Plot no. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra East, Mumbai - 400 051,  
Scrip code -NITINFIRE

**Subject: Submission of Statement on Impact of Audit Qualifications (for audit report with modified opinion) being part of Standalone Financial results for the financial year ending on March 31, 2021 pursuant to Regulation 30 and 33 (3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Please find enclosed the Statement on Impact of Audit Qualifications (for audit report with modified opinion) being part of Standalone Financial results for the financial year ending on March 31, 2021, pursuant to Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Please note that Nitin Fire Protection Industries Limited ("the Company") is under Liquidation vide NCLT order 3.1.A 259/2022 IN C.P.(IB)-1890(MB)/2018 dated 9<sup>th</sup> February, 2022 in terms of the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") and the regulations framed thereunder. Pursuant to the said order and the provisions of IBC, the powers of the Board of Directors have been suspended and such powers are vested in Mr. Uliyar Balakrishna Bhat, in the capacity of Liquidator.

Kindly take note of the above.

**For Nitin Fire Protection Industries Limited**

ULIYAR  
BALAKRISHNA BHAT  
Digitally signed by ULIYAR  
BALAKRISHNA BHAT  
Date: 2024.08.13 17:37:07 +05'30'

**Uliyar Balakrishna Bhat**

**Liquidator**

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March 2021 (Under Regulation 33/52 of the SEBI(LODR) (Amendment) Regulations, 2016)				
I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	1,940.24	NA
	2	Total Expenditure	9,040.02	NA
	3	Net Profit/(Loss)	(7,263.20)	NA
	4	Earnings Per Share	(2.49)	NA
	5	Total Assets	2,588.61	NA
	6	Total Liabilities	98,499.57	NA
	7	Net Worth	-95,910.96	NA
	8	Any other Financial item(s) (as felt appropriate by the management)	NA	NA

II Audit Qualification (each audit qualification separately) :			
A)	Details of Audit Qualification :	a)	The Company is in Liquidation vide Order Dated 18-01-2022 and accordingly the Financials should reflect the net realizable value of the assets. As informed, the process for the sale of assets of the company is underway as a going concern, the valuation report at the end of the year has not been shared and hence all the figures in the Financial Statement are presented at historical cost. In absence of Valuation reports, no effect with respect to diminution, if any, in the value of assets have been provided by the Company, as per the requirements of Ind AS 36 - Impairment of assets.
		b)	As explained in No. 41 to the Standalone Ind AS Financial Statements, the Company has an exposure in Worthington Nitin Cylinders Private Limited aggregating Rs. 4,195.04 Lakhs as at 31st March 2021. The Company has made an estimated provision aggregating Rs. 3,3372.17 lakhs towards impairment in the value of investment as at that date. In the absence of the fair value of the investment by an independent valuer as required under Ind AS 28 'Investment in Associates and Joint Ventures', we are unable to comment on the extent of provision required towards impairment, if any, in this regard and the resultant impact on loss, other equity and investment



		c)	As explained in No. 42 to the Standalone Ind AS Financial Statements, in relation to the exposure in trade receivables aggregating Rs.25,812.43 Lakhs, which are outstanding for a long period of time, payments for which are not forthcoming and are subject to independent confirmation and intimation to Reserve Bank of India on account of delayed recoveries in respect of balance receivables in foreign currencies. The Company has, in this regard, made provision of Rs.25,619.46 Lakhs as at 31st March 2021, by way of expected credit loss. In the absence of independent confirmations from the trade receivables and non-availability of other alternate audit evidence, we are unable to comment on the recoverability of the amount, adequacy or otherwise of provision made and consequential impact, if any in this regard and the resultant impact on loss, other equity and trade receivable.
		d)	As explained in No. 43 to the Standalone Ind AS Financial Statements, the trade payables aggregating Rs.5,743.73 Lakhs and advance to trade payable aggregating Rs.10.33 Lakhs are subject to independent confirmations. In the absence of independent confirmations and any other alternate audit evidences, we are unable to comment on the consequential impact, if any in this regard and the resultant impact on loss, other equity, trade payable and other current assets.
		e)	As explained in No. 44 to the Standalone Ind AS Financial Statements, due to expiry and no-renewal of Loss Prevention Certification Board (LPCB) Licence by the Company during previous year, the traded goods consisting of firefighting equipment and other components, in the opinion of the management, would not fetch its carrying value as at 31st March 2021. The Company has made an estimated provision towards non-moving inventories amounting to Rs.5,004.23 Lakhs (apart from provision of Rs.486.90 Lakhs based on an independent valuation reports) for which we have not been provided sufficient appropriate audit evidence. Further, we did not observe the counting of the physical inventories as at the year ended 31st March 2021. The Company has carried out physical verification of inventories on 8th February, 2022 but physical verification report has not been provided to us. The records maintained by the Company are under updation and hence, for us to perform rollback procedure to ascertain the existence of inventories was not possible. Since inventories enter into the determination of the results of operations and cash flows, we are unable to determine whether any adjustments are required in respect of the loss for the year reported in the Statement of Profit & Loss and the net cash flows from operating activities reported in the Cash Flow Statement. We are unable to comment on the existence of inventory and adequacy of such provision made by the Company and its consequential impact, if any and the resultant impact on loss; other equity and inventories.



		f)	As explained in No. 45 to the Standalone Ind AS Financial Statements, the Company, during the previous year ended 31st March 2020, had adjusted balances under Trade Payable and Trade Receivables aggregating Rs.5,500.74 Lakhs. These adjustments are subject to confirmation from respective counter parties and approval from Reserve Bank of India in case of the balance's receivable/payable in foreign currency. Pending such confirmations and approval, we are unable to comment on the consequential impact, if any and the resultant impact on loss; other equity and investment.
		g)	As explained in No. 46 to the Standalone Ind AS Financial Statements, loans to subsidiaries aggregating Rs.21,989.15 Lakhs (including arising out of devolvement of stand by letter of undertaking issued in favour of subsidiaries in earlier period), advance for purchase of materials to subsidiary company of Rs.306.88 Lakhs and loans to other body corporates aggregating Rs.1,335.78 Lakhs, are outstanding for a long period of time. The Company has made provision for the entire amount of Rs.23,631.81 Lakhs, which includes provision amounting to Rs.21,989.15 Lakhs on loan to foreign subsidiaries, and for which we have not been provided sufficient appropriate audit evidence. The provision on loan to foreign subsidiary is subject to confirmation from counter party and intimation to Reserve Bank of Indian on account of delayed recoveries of balance receivable in foreign currency. In the absence of independent confirmations from the subsidiaries, including foreign subsidiaries and other body corporates, any other alternate audit evidences and non-recovery of any amount during the year and till date, we are unable to comment on the recoverability of the amount, adequacy or otherwise of the provision made and consequential impact, if any and the resultant impact on loss; other equity and investment.
		h)	As explained in No. 47 to the Standalone Ind AS Financial Statements, the Company has made provision for interest accrued in respect of its borrowing from banks and financial institutions aggregating Rs.32,367.40 Lakhs. As informed the provision has been made based on claim admitted during the liquidation process. In the absence of independent confirmation in this regard, we are unable to comment on the interest provision made by the Company and its consequential impact, if any and the resultant impact on loss, other equity and investment.

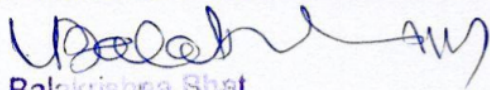
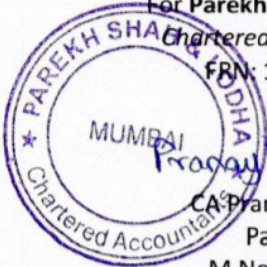


		i)	We have been informed by the Official Liquidator/ Resolution professional that certain information and procedures as part of the Corporate Insolvency Resolution Process ("CIRP") are of confidential nature and could not be shared with anyone other than the committee of creditors and National Company Law Tribunal. Pending receipt of information, we are unable to comment on the consequential impact, if any and the resultant impact on loss, other equity and investment.
		j)	As explained in Note No.16 and Note No.18 the Standalone Financial Statements, the long term borrowings aggregating to Rs.1025.80 Lakhs (PY Rs.3933.80 Lakhs) and short-term borrowing aggregating to Rs.58,876.53 Lakhs (PY Rs.53,311.47 Lakhs) are subject to independent confirmations. In the absence of independent confirmations and any other alternate audit evidences, we are unable to comment on the consequential impact, if any in this regard and the resultant impact on loss, equity, current maturity of long term borrowing and short term borrowing.
		k)	As explained in Note No.50 to 53, balances appearing in the Financial Statements are subject to reconciliation with the returns and submissions made with statutory authorities. Hence, the effect thereof, on Profit/Loss, Assets and Liabilities, if any, is not ascertainable. Non provision for Deferred Tax Assets/ Liability. Further, Revenue recognized in books of accounts has not been reconciled with form 26As. TDS not deducted on amount aggregating to Rs.166.17 Lakhs on interest and rent provided in the books of accounts. In the absence not such non compliances, we are unable to comment on the consequential impact, if any and the resultant impact on profit & loss, other equity and liabilities.
		l)	The financial statements which describes that the Balance of Debtors, Creditors, Loans & Advances, Investments, Advance to Suppliers & Others and Advance from Customers & Others are subject to confirmation and reconciliation, if any. Hence, the effect thereof, on Profit/Loss, Assets and Liabilities, if any, is not ascertainable.
		m)	As the Company has not documented internal control framework which includes standard operating process for various areas of operations, risk control matrices, etc. and also due to the inability of the management to substantiate that there are adequate internal controls that exist and operate effectively, we are unable to comment on the presence and effectiveness of internal controls that are designed to prevent and detect any material misstatement, fraud, errors and omissions. Further, CIRP process have been started from October 2018 and since then the internal audit has been discontinued. We have also issued a disclaimer of opinion in our report on the internal financial controls with reference to the financial statements under Section 143(3)(i) of the Act of even date annexed to this report.



		<p>n) We have not been provided with any documented framework to ascertain completeness and timely compliance with the provisions of various applicable statutes. Therefore, we are not able to comment on the completeness of compliances under applicable statutes. Further, during the course of audit, we have observed few instances of non-compliances with provisions of SEBI Listing Obligations and Disclosure Requirements and The Companies Act, 2013. Major non-compliances observed are:-</p> <ul style="list-style-type: none"> <li>i. The Company has not prepared and presented Consolidated Ind AS Financial Statements for the year ended 31st March 2020 and 31st March 2021, as required under Section 129(3) of the Companies Act, 2013;</li> <li>ii. The Company has not appointed Internal Auditors as required by Section 138 of the Companies Act, 2013;</li> <li>iii. As required by Section 203 of the Companies Act, 2013, the Company has not appointed full time Company Secretary;</li> <li>iv. As required by Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014, the cost audit is not applicable to the Company;</li> <li>v. The Company has not prepared and presented quarterly unaudited financial results (standalone and consolidated) basis as required under the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for all the quarter of Financial Year 2019-20 &amp; Financial Year 2020-21;</li> <li>vi. The Company did not have a Chief Financial Officer (CFO) since Financial Year 2018-19 as required under Section 203 of the Act.</li> </ul> <p>In the absence of ascertainment of impact arising on account of such non-compliance of laws and regulations on the Ind AS Standalone Financial Statements of the Company, we are unable to comment on the said consequential impact.</p>
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b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion/Adverse Opinion	Disclaimer of Opinion
c.	Frequency of Qualification : Whether appeared first time/repetitive/since how long continuing.	Repetitive and continuing a. From 2020-21 b. From 2014-15 c. From 2016-17 d. From 2017-18 e. From 2018-19 f. From 2018-19 g. From 2018-19 h. From 2018-19 i. From 2018-19 j. From 2019-20 k. From 2020-21 l. From 2020-21 m. From 2019-20 n. From 2019-20
d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views	NA
e.	For Audit Qualification(s) where the impact is not quantified by the Auditor	
	(i) Management's estimation on the impact of audit qualification	NA
	(ii) if Management is unable to estimate the impact, reason for the same	Corporate Insolvency & Resolution process (CIRP) and Liquidation on going concern
	(iii) Auditor's Comments on (i) or (ii) above :	None further
III		Signatories
Liquidator / Resolution Professional / CEO / Managing Director	<b>For Nitin Fire Protection Industries Ltd.</b>  U. Balakrishna Bhat Liquidator Reg. No. IBBVPA-001/AP-P00658/2017-18/11107 Email Id : ubbhat@radissonindia.in	
CFO/ V. P. Finance		
Audit Committee Chairman		
Statutory Auditors	<b>For Parekh Shah &amp; Lodha</b> Chartered Accountants FRN: 107487W  Pranay Bhutra CA Pranay Bhutra Partner M.No. 623927	
Place : Mumbai	UDIN : 24623927BKEWYK6287	
Date : 21-05-2024		