

NITCO/SE/2023-24/018

August 12, 2023

To,

Corporate Service Department, BSE Limited Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Script code: 532722	The Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Script code: NITCO
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Sub: Outcome of the Board Meeting of NITCO Limited (the "Company") held today i.e. Saturday, August 12, 2023

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. Saturday, August 12, 2023 has *inter-alia* transacted the following business:

1. Considered and approved the appointment of Mr. Sitanshu Satapathy as Chief Financial Officer (CFO) and designate him as Key Managerial Personnel (KMP) of the Company under Section 203 of the Companies Act, 2013 with effect from August 12, 2023.

The detailed information pursuant to Regulation 30 of SEBI Listing Regulations read with SEBI circular CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed as an Annexure I hereto.

2. Considered and approved the un-audited standalone and consolidated financial results for the quarter and three months ended June 30, 2023 (Q1).

A copy of the Un-audited Financial Results and the Limited Review Report thereon, are attached herewith as Annexure II;



NITCO

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The Meeting of Board of Directors of the Company commenced at 11.30 A.M. and concluded at 12:55 P.M.

Kindly take the above information on your records.

Thanking You,

Yours faithfully,
For NITCO Limited




Geeta Karira
Company Secretary & Compliance Officer
ACS 57288



Annexure I

Detailed information pursuant to Regulation 30 of the Listing Regulations read with circular CIR/CFD/CMD/4/2015 dated September 09, 2015

Sr. No.	Particulars	Details
1.	Name	Mr. Sitanshu Satapathy
2.	Reason for change	Appointment
3.	Date of appointment & term of appointment	August 12, 2023 The term of appointment shall commence from August 12, 2023 and continue until his resignation or his attaining the age of retirement (as per the Company's internal human resources policy), whichever is earlier.
4.	Qualification and brief profile	Mr. Sitanshu Satapathy is a Chartered Accountant, MBA in Finance from Viswabharathi University, Kolkata and has done Graduation and Post Graduation in Economics from Utkal university, Bhubaneswar. Mr. Satapathy has more than 23 years of experiences in various roles and capacities. He has varied experience and expertise in the field of Accounts, Finance, HR, Commercial, operations etc. and various other related matters.



NITCO

NITCO LIMITED

TILES MARBLE MOSAIC Registered Office: Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East), Mumbai - 400042

Tel No.: 022 67521555, 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, 2023

(Rs. in Lakhs except earnings per share)

Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended			Year ended	Three Month Ended			Year ended
	30.06.2023 (Unaudited)	31.03.2023 (Audited) (Refer Note 14)	30.06.2022 (Unaudited)	31.03.2023 (Audited)	30.06.2023 (Unaudited)	31.03.2023 (Audited) (Refer Note 14)	30.06.2022 (Unaudited)	31.03.2023 (Audited)
CONTINUING OPERATIONS								
Revenue from Operations								
Sale of Products	9,120.07	10,451.75	8,970.12	37,824.12	9,173.05	10,518.31	9,011.26	38,026.61
Other operational revenue	70.13	60.21	88.59	342.80	70.13	60.12	88.59	342.80
Total Revenue from Operations	9,190.20	10,511.96	9,058.71	38,166.92	9,243.18	10,578.43	9,099.85	38,369.42
Other Income	171.05	77.89	173.57	450.41	171.21	79.76	175.47	454.61
Total Income	9,361.25	10,589.85	9,232.28	38,617.33	9,414.39	10,658.19	9,275.32	38,824.02
Expenses								
Cost of materials consumed	819.81	977.19	814.23	4,054.81	865.56	1,034.75	851.07	4,230.74
Purchase of Stock in trade	6,019.24	7,045.86	6,371.06	26,062.01	6,019.24	7,045.86	6,371.06	26,062.01
Changes in inventories of finished goods, Stock in trade and work-in-progress	301.88	501.16	146.04	529.10	301.88	501.16	146.04	529.10
Employee benefits expense	1,365.47	1,408.01	1,335.09	5,372.68	1,365.47	1,408.01	1,335.09	5,372.68
Depreciation and amortization expense	724.14	707.49	737.66	2,925.98	724.14	707.49	737.66	2,925.98
Finance cost (net)	2,194.83	1,881.60	1,701.38	7,335.29	2,194.86	1,881.48	1,701.45	7,335.29
Other expenses	1,179.24	2,196.13	1,126.70	5,877.98	1,187.04	2,203.34	1,132.03	5,907.13
Total Expenses	12,604.61	14,717.44	12,232.16	52,157.35	12,658.19	14,782.09	12,274.40	52,362.93
(Loss) from Continuing Operations before tax and before exceptional items	(3,243.36)	(4,127.59)	(2,999.88)	(13,540.52)	(3,243.80)	(4,123.90)	(2,999.07)	(13,538.91)
Exceptional items-gain/(loss) (Refer Note - 8)	-	(89.33)	(852.00)	(1,585.34)	-	(89.33)	(852.00)	(1,585.34)
Profit / (Loss) from Continuing Operations before tax and after exceptional items	(3,243.36)	(4,216.92)	(3,851.88)	(15,125.86)	(3,243.80)	(4,213.23)	(3,851.07)	(15,124.25)
Tax expense	-	-	-	-	-	-	-	-
Current Tax	-	-	-	-	-	-	-	0.90
Deferred Tax	-	-	-	-	-	-	-	-
(Short) / Excess provision for tax (earlier years)	(32.89)	-	-	-	(32.89)	-	-	(0.10)
Net Profit for the period from Continuing Operations	(3,276.25)	(4,216.92)	(3,851.88)	(15,125.86)	(3,276.69)	(4,213.23)	(3,851.07)	(15,125.05)
Profit/(Loss) attributable to Non-Controlling Interest	-	-	-	-	(0.10)	0.82	(0.21)	(0.25)
Profit/(Loss) attributable to the Owners of the Parent	-	-	-	-	(3,276.59)	(4,214.05)	(3,850.86)	(15,124.80)
Net Profit/ (Loss) after tax	(3,276.25)	(4,216.92)	(3,851.88)	(15,125.86)	(3,276.69)	(4,213.23)	(3,851.07)	(15,125.05)
Profit/(Loss) attributable to Non-Controlling Interest	-	-	-	-	(0.10)	0.82	(0.21)	(0.25)
Profit/(Loss) attributable to the Owners of the Parent	-	-	-	-	(3,276.59)	(4,214.05)	(3,850.86)	(15,124.80)
Other Comprehensive Income								
(i) Items that will not be reclassified to profit or loss	(12.64)	25.19	33.42	30.30	(12.64)	25.19	33.42	30.30
(ii) Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Other Comprehensive Income (OCI)	(12.64)	25.19	33.42	30.30	(12.64)	25.19	33.42	30.30
OCI attributable to Non-Controlling Interest	-	-	-	-	-	-	-	-
OCI attributable to the Owners of the Parent	(12.64)	25.19	33.42	30.30	(12.64)	25.19	33.42	30.30
Total Comprehensive Income	(3,288.89)	(4,191.73)	(3,818.46)	(15,095.56)	(3,289.33)	(4,188.04)	(3,817.65)	(15,094.75)
Non-Controlling Interest	-	-	-	-	(0.10)	0.82	(0.21)	(0.25)
Net Profit/ (Loss) after taxes, Non-Controlling Interest	(3,288.89)	(4,191.73)	(3,818.46)	(15,095.56)	(3,289.23)	(4,188.86)	(3,817.44)	(15,094.50)
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	-	-	-	(41,756.85)	-	-	-	(42,112.80)
Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualized):								
Basic - Continuing Operations	(4.56)	(5.87)	(5.36)	(21.05)	(4.56)	(5.86)	(5.36)	(21.05)
Diluted - Continuing Operations	(4.56)	(5.87)	(5.36)	(21.05)	(4.56)	(5.86)	(5.36)	(21.05)
Basic - Discontinuing Operations	-	-	-	-	-	-	-	-
Diluted - Discontinuing Operations	-	-	-	-	-	-	-	-
Basic - Continuing & Discontinuing Operations	(4.56)	(5.87)	(5.36)	(21.05)	(4.56)	(5.86)	(5.36)	(21.05)
Diluted - Continuing & Discontinuing Operations	(4.56)	(5.87)	(5.36)	(21.05)	(4.56)	(5.86)	(5.36)	(21.05)

Place : MUMBAI
Date : 12-August-2023



Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)



Particulars	STANDALONE				CONSOLIDATED			
	Three Month Ended		Year ended		Three Month Ended		Year ended	
	30.06.2023 (Unaudited)	31.03.2023 (Audited) (Refer Note 14)	30.06.2022 (Unaudited)	31.03.2023 (Audited)	30.06.2023 (Unaudited)	31.03.2023 (Audited) (Refer Note 14)	30.06.2022 (Unaudited)	31.03.2023 (Audited)
Net Sales/ Income from Operations								
- Tiles and other related products	9,189.32	10,506.14	9,058.71	38,161.10	9,189.32	10,506.16	9,058.71	38,161.08
- Real estate	0.88	5.82	-	5.82	53.86	72.27	41.14	208.32
Total Revenue	9,190.20	10,511.96	9,058.71	38,166.92	9,243.18	10,578.43	9,099.85	38,369.41
Segment results								
- Tiles and other related products	(1,289.46)	(2,263.22)	(2,304.51)	(8,045.93)	(1,289.46)	(2,264.92)	(2,306.34)	(8,049.99)
- Real estate	69.88	(149.99)	(19.56)	(195.05)	69.44	(146.47)	(18.75)	(193.58)
Total Segment Profit Before Finance Cost and Tax	(1,219.58)	(2,413.21)	(2,324.07)	(8,240.98)	(1,220.02)	(2,411.51)	(2,325.09)	(8,243.57)
Interest and other financial cost	2,194.83	1,881.60	1,701.38	7,335.29	2,194.83	1,881.48	1,701.45	7,335.29
Other Income	171.05	77.89	173.57	450.41	171.21	79.76	175.47	454.61
Profit/(loss) before tax after exceptional items	(3,243.36)	(4,216.92)	(3,851.88)	(15,125.86)	(3,243.64)	(4,213.23)	(3,851.07)	(15,124.25)
Segmental Assets								
- Tiles and other related products	53,258.16	55,429.89	58,799.20	55,429.86	56,342.38	58,514.22	61,883.43	58,514.22
- Real estate	23,011.92	22,925.30	23,022.56	22,925.30	22,934.72	22,835.49	22,915.20	22,835.49
- Unallocated/ Corporate	411.85	439.78	409.60	439.81	411.85	439.78	409.60	439.78
Total Segmental Assets (A)	76,681.93	78,794.97	82,231.36	78,794.97	79,688.95	81,789.49	85,208.23	81,789.49
Segment Liabilities								
- Tiles and other related products	23,849.17	24,942.14	22,111.12	24,942.14	28,540.87	29,633.84	26,802.82	29,633.84
- Real Estate	191.17	189.52	164.59	189.52	587.90	572.87	530.29	572.87
- Unallocated/ Corporate	90,502.77	88,234.26	83,249.51	88,234.26	90,502.77	88,234.26	83,249.50	88,234.26
Total Segment Liabilities (B)	1,14,543.11	1,13,365.92	1,05,525.22	1,13,365.92	1,19,631.54	1,18,440.97	1,10,582.61	1,18,440.97

Place : MUMBAI
Date : 12-Aug-2023



Vivek Talwar
Chairman & Managing Director
(DIN: 00043180)



NITCO

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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 August 12, 2023. 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. In 2018, the Company had received sanction from JM Financial Asset Reconstruction Company Limited ("JMFCARC") for restructuring of Company's debt vide a Restructuring Agreement dated 27th March 2018 entered between the Company and JMFCARC.

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, JMFCARC shall have an absolute right to revoke the reliefs and concessions granted in the Restructuring agreement. Accordingly, the debts and interest are stated at the restructured values.

The Company had committed default in ensuring the repayments of the restructuring facility. On 19 September 2022, JMFCARC has revoked the restructuring of existing facilities (excluding the NCD and RPS facility) and the dues amounting to Rs. 2,42,762.93 Lakhs has been reinstated, however as per books of accounts the loans are not restated and the balance as at 30th June, 2023 is Rs. 67,491.28 Lakhs

The Company is in the process of negotiating with the JMFCARC for the restructuring/extension of restructuring of its facilities. Pending negotiations, no further adjustment is made.

Further, Company has received an email on 15th November 2022 from JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFCARC-LVB Ceramics September 2014- Trust) - Financial Creditor w.r.t. filing of Application under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 with National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process. The application is numbered and the C.P. (I B) No. allotted is - C.P. (IB)/1308(MB)2022. The application is listed on the NCLT under cause list.

JMFCARC also filed the CIRP against Corporate Guarantors namely Aurella Estate and Investments Pvt. Ltd (entity having significant influence over the Company), Nitco Realities Pvt. Ltd. (Subsidiary) and Megdoot Properties Pvt. Ltd., Feel Better Housing Pvt. Ltd., Maxwealth Properties Private Limited, Silver-Sky Real Estate Pvt. Ltd. (4 step-down Subsidiaries).

The Company is taking appropriate legal advice and will take all appropriate steps to protect its interest in the aforesaid matter.

The Company has filed a reply with Hon'ble NCLT citing appropriate defence. The matter is listed for hearing on 29th August, 2023.

4. Restructuring of Company's debt (excluding debts of LIC) was approved by JMFCARC on January 23, 2018. The Company is negotiating with LIC for restructuring of its facility (principal outstanding Rs. 1,887.26 Lakhs as on 30.06.2023 on terms similar to restructuring done by JMFCARC. Pending negotiations with LIC, no further adjustments, especially the provision of interest amounting to Rs 2,692.09 Lakhs is not 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 Accounts for the same.

6. Pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble Bombay High Court, a land parcel held in the name of Particle Board India Limited was amalgamated with the Company. as per the HC Order dated 8th July, 2011. Revenue Department raised a demand for unearned income of Rs. 5,105.88 Lakhs in this regard. The Company filed a Writ Petition before the Hon'ble Bombay High Court regarding the same. Stay was granted by Hon'ble Court on 26th March, 2018 & the same was confirmed as interim relief by virtue of Order dated 9th September, 2019.

7. Capital advances to Saumya Buildcon amounting to Rs. 995.99 Lakhs is expected to be recovered in FY 2024. Hence, No provision has been made in the accounts for the same.

8. Exceptional items pertains to provision for litigation settlement amounting to Rs. 89.33 lakhs for the quarter ended 31st March, 2023 and Rs. 1,585.34 Lakhs for the year ended 31st March, 2023

On 27th January, 2020, lock out was declared in tiles manufacturing unit situated at Alibaug. The Lockout at the Alibaug plant continues. The Management has reached a settlement with the Alibaug Union representing the 250 workmen of the plant. 240 workers have accepted the settlement agreement. Under the settlement agreement the workers have been offered a VRS scheme and paid Exgratia and an additional compensation of Rs. 1,496.01 Lakhs along with their legal dues and Gratuity. Accordingly the case filed by the Union in the labour court and conciliation meeting in the Labour Commissioner's office post the settlement agreement stands dismissed.

The company has also offered Rs. 89.33 lakhs under settlement agreement to employees on a contractual basis at Alibaug Plant.

9. Management will perform testing of impairment w.r.t. the carrying value of Property, Plant and Equipment at the year end.

10. 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.

11. New Vardhman Vitrified 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 some of the lenders. Accordingly, the assets and liabilities of NVVPL has been classified as assets held for Sale in the Statement of Asset and Liabilities.

12. In view of the accumulated losses, no provision for Tax has been made for the current quarter.

13. The Company had advanced money in the past 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, who along with its subsidiaries have acquired land from the money. Due to conditions of Real Estate market and financial crunch in company the proposed real estate project did not materialise. There is no specific agreement entered into with NRPL and hence there are no terms and conditions with respect to repayment or charging interest. Management has done a detailed evaluation on the recoverability of these equity investments/ loans given. The Valuation of Land in NRPL along with its subsidiaries has been conducted by an independent valuer. On the basis of such valuation done, management believes that the loans given are recoverable and accordingly no provision is required to be recorded in respect of these balances. The management expects this amount to be recovered in current year.

14. The figures for the quarter ended 31st March, 2023 are the balancing figures between the audited figures FY 2022-23 and year to date figures upto the third quarter of Financial Year.

15. The previous quarter/ year figures are regrouped/ restated/ reclassified/ rearranged, wherever necessary, to make them comparable.

Place : MUMBAI
Date : 12-August-2023



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 30th June 2023 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 Standalone Financial Results of **Nitco Limited** (the 'Company') for the quarter ended 30th June 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").
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

Basis of 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 30th June 2023.



We draw your attention to Note 3 of the financial results as regards revocation of the restructuring of existing facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). – (Financial Creditor), vide letter dated 19 September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 30th June 2023 is Rs. 67,491.28 Lakhs).

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

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

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 4 to the financial results, Company has not provided for interest on the outstanding loan of LIC of Rs. 1,887.26 lakhs (Principal outstanding), as they are hopeful of its restructuring same in line of JMFARC.
- ii. 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.
- iii. Refer Note 6 to the financial results, Revenue Department has raised a demand of Rs 5,105.88 lakhs. No provision for the demand is made in the books as company has received interim relief against the order from Bombay High Court.
- iv. Refer Note 7 to the financial results, Management has not done provision for impairment of Rs. 995.99 lakhs w.r.t. capital advance given to Saumya Buildcon Pvt Ltd.
- v. Refer Note 9 to the financial results, Management has not done provision for impairment w.r.t. carrying value of Property, Plant and Equipment, which shall be done at the year end.

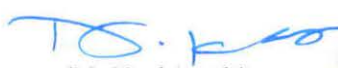


- vi. Refer Note 10 to the financial results, the balance with respect to certain bank balances, borrowings from banks and financial institutions, other current assets and liabilities are subject to confirmations and the balances are currently reported in the results as per the books of accounts.
6. Based on our review conducted as above, 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.

7. Other Matter

The financial results for the quarter ended 30th June 2022 has been reviewed by another auditor who has expressed an unmodified opinion on these statements based on his review for the quarter ended 30th June 2022.

For M M NISSIM & CO LLP
Chartered Accountants
(Firm Regn. No. 107122W/W100672)


(N. Kashinath)
Partner
Mem. No.: 036490
UDIN: 23036490BGXSCB3769



Place: Mumbai
Date: 12 August 2023

Independent Auditors' Limited Review Report on the Unaudited Consolidated Financial Results of the Company for the Quarter ended on 30th June 2023 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 Subsidiary together referred to as the 'Group') for the quarter ended 30th June 2023 ("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) Fellow 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**

Basis of 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 30th June 2023.

We draw your attention to Note 3 to the financial results as regards revocation of the restructuring of existing facilities (excluding the NCD and RPS facility) by JM Financial Asset Restructuring Company Limited (acting in its capacity as trustee of JMFARC-LVB Ceramics September 2014 - Trust). – (Financial Creditor), vide letter dated 19th September 2022, whereby dues amounting to Rs. 2,42,762.93 Lakhs has been restated (the amount appearing in books as on 30th June 2023 is Rs. 67,491.28 Lakhs).

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



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

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 4 to the financial results, Parent Company has not provided for interest on the outstanding loan of LIC of Rs. 1,887.26 lakhs (Principal outstanding), as they are hopeful of its restructuring same in line of JMFARC.
- ii. 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.
- iii. Refer Note 6 to the financial results, Revenue Department has raised a demand of Rs 5,105.88 lakhs. No provision for the demand is made in the books as parent company has received interim relief against the order from Bombay High Court.
- iv. Refer Note 7 to the financial results, Management of parent company has not done provision for impairment of Rs. 995.99 lakhs w.r.t. capital advance given to Saumya Buildcon Pvt. Ltd.
- v. Refer Note 9 to the financial results, Management has not done provision for impairment w.r.t. carrying value of Property, Plant and Equipment, which shall be done at the year end.
- vi. Refer Note 10 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.
- vii. Refer Note 11, 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 and profits/losses which have been reported as operations discontinued in the Statement.

7. Other Matter

- a) The Statement includes the unaudited interim financial results and other financial information in respect of one subsidiary and thirteen fellow subsidiaries, whose interim financial results / information reflects total revenue of Rs. 53.14 Lakhs, total net loss after tax of Rs. 0.44 Lakhs and total comprehensive income of Rs. 0.44 Lakhs for the quarter ended 30th June, 2023, respectively.



The unaudited interim financial results/statements and other unaudited financial information of its subsidiary and thirteen fellow subsidiaries have not been reviewed by its auditor 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 fellow subsidiaries is based solely on such unaudited interim financial statements/ financial results and other financial information. According to the information and explanations given to us by the management, these interim financial statements/ financial results are not material to the Group.

- b) The financial results for the quarter ended 30th June 2022 of the parent company, one subsidiary and thirteen fellow subsidiaries have been reviewed/audited by another auditor who has expressed an unmodified opinion on those statements based on their review for the quarter ended 30th June 2022.

Our opinion is not modified in respect of these matters.

8. Based on our review conducted as above, 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.

For **M M Nissim & CO LLP**
Chartered Accountants
Firm Registration No. 107122W/W100672


N Kashinath
Partner
Membership No. 036490
UDIN - 23036490BGXSCC3414



Place: Mumbai
Date: 12 August 2023