

NITCON LIMITED

CIN:- U74140CH1984PLC005796

2024-2025

Balance Sheet as at 31st March, 2025

(Amounts in ₹ Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	23.49	23.49
	(b) Reserves and surplus	2	971.81	654.83
	(c) Money received against share warrants		-	-
			995.30	678.32
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)	9	-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings	3	301.76	194.71
	(b) Trade payables	4	-	-
	(A) total outstanding dues of micro enterprises and small enterprises.		-	24.46
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		940.85	1,212.87
	(c) Other current liabilities	5	1,280.44	633.91
	(d) Short-term provisions	6	577.89	472.83
			3,100.94	2,538.78
	TOTAL		4,096.24	3,217.10
B	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment & Intangible Assets	7		
	(i) Property, Plant and Equipment		21.19	21.96
	(ii) Intangible assets		-	-




Sr. No.	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Assets held for sale		-	-
			21.19	21.96
	(b) Non-current investments	8	1.10	1.10
	(c) Deferred tax assets (net)	9	4.12	4.02
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets		-	-
			5.22	5.12
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables	10	2,254.25	1,585.12
	(d) Cash and bank balances	11	674.64	1,059.01
	(e) Short-term loans and advances	12	551.07	267.72
	(f) Other current assets	13	589.87	278.18
			4069.83	3,190.01
	TOTAL		4096.24	3,217.11
	See accompanying notes forming part of the financial statements	1-19		

In terms of our report of even date

For NITCON LIMITED

For Sanjay Arora & Associates
Chartered Accountants
(FRN No. 008445N)


(Geet Krishan Sabhlok)
Sr. Manager (Accounts)


(Alok Perti)
Director
DIN: 00475747


(Satvinder Singh)
Managing Director
DIN: 08739161


(CA. Sanjay Arora)
FCA, Partner
M. No. 084254
UDIN: 25084254 BMGHHK 2077

Place: Chandigarh
Dated: 27 JUN 2025



Statement of Profit and Loss for the year ended 31st March, 2025

(Amounts in ₹ Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	14	7,975.01	5,442.72
2	Other income	15	42.57	23.38
3	Total Income (1+2)		8,017.58	5,466.10
4	Expenses			
	(a) Employee benefits expense	16	3,406.19	2,230.04
	(b) Finance costs	17	20.70	15.30
	(c) Depreciation and amortisation expense	7	8.59	6.75
	(d) Other expenses	18	4,143.63	2,959.91
	Total expenses		7,579.12	5,212.00
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		438.46	254.10
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax (5 + 6)		438.46	254.10
8	Extraordinary items		-	-
9	Profit / (Loss) before tax (7 ± 8)		438.46	254.10
10	Tax expense:			
	(a) Current tax expense for current year		110.35	66.78
	(b) Current tax expense relating to prior year		-	-
	(c) Deferred tax		(0.10)	0.39
			110.25	67.17
11	Profit / (Loss) from continuing operations (9 - 10)		328.21	186.93
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-

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NITCON LIMITED

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12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
			-	-
12.iii	Add / (Less): Tax expense of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
			-	-
13	Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 + 13)		328.21	186.93
15	Earning per equity share			
	(a) Basic		1397.54	796.03
	(b) Diluted		1397.54	796.03

In terms of our report of even date

For NITCON LIMITED

(Geet Krishan Sabhlok)
Sr. Manager (Accounts)

(Alok Perti)
Director
DIN: 00475747

(Satvinder Singh)
Managing Director
DIN: 08739161



Place: Chandigarh

Dated: 27 JUN 2025

For Sanjay Arora & Associates
Chartered Accountants
(FIRN No. 008445N)

(CA. Sanjay Arora)
FCA, Partner
M. No. 084254

UDIN: 25084254 BM 6HMK 2077



Cash Flow Statement for the year ended 31st March, 2025

(Amounts in ₹ Lakhs)

A	CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
	net profit before tax expense	438.46	254.10
	adjustments for :		
	depreciation	8.60	6.75
	interest income from non-operating activities	(39.73)	(21.12)
	interest expense on cash credit accounts	20.70	15.30
	non cash item	0.50	-
	profit on sale of property, plant & equipment & intangible assets	-	(0.23)
	Operating profit before working capital changes	428.53	254.80
	Adjustments for :		
	Decrease / (increase) in trade receivables	(669.13)	(737.53)
	Decrease / (increase) in other current assets	(311.70)	(159.80)
	Decrease / (increase) in short term advances	(283.34)	(125.96)
	(Decrease) / increase in other short-term liabilities	646.53	240.68
	(Decrease) / increase in short term provisions (other Than provision for taxes)	105.07	401.18
	(Decrease) / increase in trade payables	(296.49)	709.29
	Cash Generated From Operations	(380.52)	582.66
	Less: Payment of Taxes on Income	110.35	66.78
	Net Cash Generated From Operating Activities	(490.88)	515.88
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Cash Outflow on account Changes in Cost of Property, Plant & Equipment & Intangible Assets	(7.82)	(12.76)
	Cash Inflow on account Changes in Cost of Property, Plant & Equipment & Intangible Assets	-	1.29
	Cash Outflow due to increase in Fixed Deposits (Lien)	(230.97)	(160.11)
	Cash Inflow from Interest Income from Non-Operating Activities	39.73	21.12
	Net Cash Used In Investing Activities	(199.06)	(150.46)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest on Cash Credit Account	(20.70)	(15.30)



NITCON LIMITED

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	Dividend paid	(11.74)	(7.05)
	Cash Inflow on account of short term borrowings	107.04	194.71
	Repayment of Deposits	-	-
	Net Cash Inflow / (Outflow) From Financing Activities	74.60	172.36
		-	-
	Net increase in cash and cash equivalents (A) + (B) + (C)	(615.34)	537.79
	Cash and cash equivalents at the beginning of the year	703.27	165.48
	Cash and cash equivalents at the end of the year	87.93	703.27

Notes :

1. The above "Cash flow statement" has been prepared under the Indirect method as set out in the Accounting Standard - 3 on Cash flow statements.
2. Figures in bracket indicates cash outflows.
3. Previous year figures have been regrouped and recasted wherever necessary to conform to the current year classification. This is the Cash Flow Statement referred to in our report of even date.

In terms of our report of even date

For NITCON LIMITED



(Geet Krishan Sabhlok)
 Sr. Manager (Accounts)


(Alok Perti)
 Director
 DIN: 00475747


(Satvinder Singh)
 Managing Director
 DIN: 08739161



For Sanjay Arora & Associates
Chartered Accountants
(FRN No. 008445N)


(CA. Sanjay Arora)
 FCA, Partner
 M. No. 084254



UDIN:

Place: Chandigarh

Dated: **27 JUN 2025**

NOTE : 1

(Amounts in ₹ Lakhs)

1.1 SHARE CAPITAL

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Authorised Equity Shares</u>		
1,00,000 Equity Shares of Rs. 100/- each (Previous year same)	100.00	100.00
	100.00	100.00
<u>Issued, Subscribed & Paid-up Equity Shares</u>		
23,485 Equity Shares of Rs. 100/- each fully paid up (Previous year same)	23.49	23.49
	23.49	23.49

1.2 Reconciliation of number of shares and the amount of share capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the period	23,485	23.49	23,485	23.49
Add: Issued during the period	-	-	-	-
As at the end of the period	23,485	23.49	23,485	23.49

1.3 Rights, Preferences and restrictions attached to the shares

Equity Shares

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

1.4 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Amount	% of shares	Amount	% of shares
HIKARI VENTURES Pvt. Ltd	9,750	41.52%	9,750	41.52%
SIDBI	3,350	14.26%	3,350	14.26%
ICICI Bank Ltd.	1,675	7.13%	1,675	7.13%
PFC	2,680	11.41%	2,680	11.41%
PSIDC	1,340	5.71%	1,340	5.71%
PSIEC	1,340	5.71%	1,340	5.71%



1.5 Shares held by promoters at the end of the year

Name of Shareholder	No. of Shares	% Share of Holding	% Change during the year
HIKARI VENTURES Pvt. Ltd	9,750	41.52%	-
SIDBI	3,350	14.26%	-
Punjab Financial Corporation (PFC)	2,680	11.41%	-
ICICI Bank Ltd.	1,675	7.13%	-
Punjab State Industrial Development Corporation Ltd. (PSIDC)	1,340	5.71%	-
Punjab Small Industries & Export Corporation Ltd. (PSIEC)	1,340	5.71%	-
State Bank of India	871	3.71%	-
Chandigarh Industrial & Tourism Development Corpn. Ltd.	536	2.28%	-
Punjab & Sind Bank,	536	2.28%	-
Punjab National Bank	603	2.57%	-
Bank of India	268	1.14%	-
Union Bank of India	268	1.14%	-
Central Bank of India	134	0.57%	-
UCO Bank	134	0.57%	-
TOTAL SHARES	23,485	100%	0%

NOTE : 2

(Amounts in ₹ Lakhs)

RESERVES & SURPLUS

Particulars	As at 31st March, 2025	As at 31st March, 2024
A) Revenue Reserve :		
Opening Balance	179.74	142.35
Add : Transferred from Statement of Profit & Loss	65.64	37.39
Less : Issue of Bonus Shares	-	-
Closing Balance (A)	245.38	179.74
B) Profit & Loss Account :		
Opening Balance	475.10	332.60
Add : Transferred from Standalone Profit & Loss Account of NITCON Limited	328.21	186.93
Add: Diff. Balance of Revenue reserve	0.50	-
Less:		
Appropriations -		
- Transferred to General Reserve @ 20%	65.64	37.39
- Dividend for earlier period	11.74	7.05
Closing Balance (B)	726.43	475.09
Balance transferred to Balance Sheet (A) + (B)	971.81	654.83

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NOTE : 3

(Amounts in ₹ Lakhs)

SHORT TERM BORROWINGS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash Credit Account - Bank of Maharashtra	301.76	194.71
TOTAL	301.76	194.71

Note:- Secured against trade receivables upto 120 days at a margin of 25%. Sanctioned limit for the cash credit account is ₹ 500 lakhs and an additional non-fund based BG Limit of ₹ 1000 Lakhs.

NOTE : 4

(Amounts in ₹ Lakhs)

TRADE PAYABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
(A) total outstanding dues of micro enterprises and small enterprises.	-	24.46
Sub-total (A)	-	24.46
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	940.85	1212.87
Sub-total (B)	940.85	1,212.87
Total (A)+(B)	940.85	1237.33

I. Due to Micro, Small & Medium Enterprises

The principal amount remaining unpaid as at 31st March 2025 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" is Rs. Nil Lakhs (Prev Year -Rs. 24.46 Lakhs). No interest is due and payable on amount remaining unpaid to such enterprises. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and it has been relied upon by the auditors.

II. Investor Education and Protection Fund

There are no amounts in respect of unpaid dividend which have become due for deposit to Investor Education and Protection Fund as at balance sheet date.

Trade Payables - Ageing

Particulars	As at	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	31.03.25	-	-	-	-	-
	31.03.24	24.46	-	-	-	24.46
(ii) Others	31.03.25	637.62	68.44	193.01	41.78	940.85
	31.03.24	1087.74	93.09	26.90	5.15	1212.87
(iii) Disputed Dues - MSME	31.03.25	-	-	-	-	-
	31.03.24	-	-	-	-	-
(iv) Disputed Dues - Others	31.03.25	-	-	-	-	-

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	31.03.24					
Total	31.03.25	637.62	68.44	193.01	41.78	940.85
Total	31.03.24	1112.20	93.09	26.90	5.15	1237.33

NOTE : 5

(Amounts in ₹ Lakhs)

OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>STATUTORY LIABILITY</u>		
IGST Payable	112.24	119.51
CGST Payable	15.62	46.25
UTGST/SGST Payable	15.62	46.25
GST TDS Payable	14.94	15.92
TDS Payable	44.33	32.48
EPF Payable	56.55	11.01
ESI Payable	2.22	0.57
Professional Tax	0.44	-
<u>OTHER CURRENT LIABILITIES</u>		
Salary Payable – Manpower	58.88	-
Advance from Customer	118.59	4.19
Imprest from customer	26.98	90.43
Security Refundable	785.35	248.23
Retention Money	0.55	-
Stipend Payable	5.02	5.10
Unutilised Grant	3.06	-
Other Expenses Payable	20.05	10.71
Interest Payable	-	3.25
TOTAL	1280.44	633.91

NOTE : 6

(Amounts in ₹ Lakhs)

SHORT TERM PROVISIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory Audit Fee Payable	1.45	0.54
Internal Audit Fee Payable	-	0.36
Provision for Expenses Payable	576.44	471.93
TOTAL	577.89	472.83



Note : 7

(Amounts in ₹ Lakhs)

PROPERTY, PLANT AND EQUIPMENTS & INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2025	As at 01.04.2024	For the Period	Disposal	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
(A) TANGIBLE ASSETS										
Furniture & Fixtures	9.53	1.52	-	11.05	3.83	1.55	-	5.39	5.66	5.70
Car	12.59			12.59	0.85	3.67	-	4.52	8.07	11.73
Office Equipment	7.61	0.62	4.38	3.85	6.98	0.29	4.17	3.10	0.75	0.63
Electrical Fittings	0.99	-	-	0.99	0.36	0.16	-	0.52	0.47	0.64
Electrical Appliances	0.41	0.15	-	0.56	0.27	0.04	-	0.30	0.26	0.15
Training Equipment	5.74	-	-	5.74	5.34	-	-	5.34	0.40	0.40
Computers	18.98	5.75	-	24.73	16.26	2.88	-	19.14	5.58	2.71
Sub Total	55.85	8.04	4.38	59.51	33.89	8.59	4.17	38.31	21.19	21.96
(B) IN-TANGIBLE ASSETS										
Computer Softwares	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-	-
Total (A+B)	55.85	8.04	4.38	59.51	33.89	8.59	4.17	38.31	21.19	21.96
Previous Year Figures	58.64	12.76	12.06	59.35	41.60	6.75	10.97	37.38	21.96	17.04

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NOTE : 8

(Amounts in ₹ Lakhs)

NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2025	As at 31st March, 2024
NITCON SOCIAL FOUNDATION	1.00	1.00
SPV & NITCON PARTNERSHIP	0.10	0.10
TOTAL	1.10	1.10

NOTE : 9

(Amounts in ₹ Lakhs)

DEFERRED TAX

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred Tax Assets		
Deferred Tax Assets arising on account of :		
Timing Difference on WDV of Property, Plant & Equipments and Intangible Assets	16.38	15.97
TOTAL	16.38	15.97
Previous Deferred Tax	4.02	4.41
DTL(-)/DTA(+)	0.10	(0.39)
TOTAL	4.12	4.02

NOTE : 10

(Amounts in ₹ Lakhs)

10.1 TRADE RECEIVABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Outstanding for a period exceeding six months		
Secured - Considered Good	-	-
Unsecured - Considered Good	271.52	470.49
Unsecured - Doubtful	64.83	-
Others		
Secured - Considered Good	-	-




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Unsecured - Considered Good	1917.90	1,114.63
TOTAL	2254.25	1,585.12

**10.2 TRADE RECEIVABLES AGEING SCHEDULE FOR THE YEAR ENDED AS ON MARCH 31, 2025
AND MARCH 31, 2024 (Shown in Italics)**

Particulars	As at	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	31.03.25	1917.90	5.62	255.84	7.86	2.21	2189.43
	31.03.24	1114.63	1114.63	102.04	120.40	243.57	1585.12
(ii) Undisputed Trade Receivables – considered doubtful	31.03.25	-	1.22	1.12	-	62.48	64.82
	31.03.24	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	31.03.25	-	-	-	-	-	-
	31.03.24	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	31.03.25	-	-	-	-	-	-
	31.03.24	-	-	-	-	-	-
Total	31.03.25	1917.90	6.84	256.95	7.86	64.69	2254.26
<i>Total</i>	<i>31.03.24</i>	<i>1114.63</i>	<i>1114.63</i>	<i>102.04</i>	<i>120.40</i>	<i>243.57</i>	<i>1585.12</i>

NOTE : 11

(Amounts in ₹ Lakhs)

CASH & BANK BALANCES

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(A) Cash & Cash Equivalents		
Balances with Banks	87.93	703.25
Cash in hand	0.00	0.02
Sub total (A)	87.93	703.27
(B) Other Bank Balances		
Fixed Deposits with Banks (Held as lien by bank or issued as margin money)	583.90	151.59
Fixed Deposits with Banks (Unearmarked)	2.81	204.15
Sub total	586.71	355.74
TOTAL (A+B)	674.64	1,059.01
Note:-		
Fixed deposits with maturity >1 year	583.90	151.59



NOTE : 12

(Amounts in ₹ Lakhs)

SHORT TERM LOANS & ADVANCES

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Loan and advances to wholly-owned Subsidiary		
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	-	-
Less : Provision for doubtful Loans & advances		
(A)	-	-
Advances recoverable in cash or kind		
Others	-	-
Advances to Suppliers	49.94	0.56
Advance Salary to staff	2.44	0.37
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Other Advances	-	-
	52.38	0.93
Provision for doubtful advances		
Less : Provision for doubtful advances	-	-
(B)	52.38	0.93
Other loans and advances		
Advance Tax/ Tax Deducted at Source (net of provision for taxation)	305.71	126.87
Income tax paid under protest	-	-
Other Recoverable	-	-
Prepaid expenses	32.64	5.37
GST Recoverable	132.62	107.45
Balances with statutory/Government authorities	27.1	27.1
Gratuity and Superannuation Trust Fund	0.62	-
(C)	498.69	266.79
Total (A+ B + C + D)	551.07	267.72

NOTE : 13

(Amounts in ₹ Lakhs)

OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Security Deposits	546.99	215.77
Accrued Interest	17.88	30.55
Others	-	-
Accrued Income	25.00	31.85
TOTAL	589.87	278.17



NOTE : 14

(Amounts in ₹ Lakhs)

REVENUE FROM OPERATIONS

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Revenue from Consultancy		
Consultancy Income - Forward Charge	1022.81	652.29
Consultancy Income - Reverse Charge	4.22	4.08
Consultancy Income – Receipt in USD	-	25.08
Revenue from Skill Development		
Skill Development Training - Taxable	2,439.68	552.32
Skill Development Training - Exempt	706.45	474.41
Revenue from Manpower Deployment		
Manpower supply - Others	2,744.39	1647.02
Manpower Supply - Skill Training	427.25	420.34
Revenue from Works Contract		
Works Contract	315.56	333.68
Revenue from IT Projects		
IT Projects	40.32	853.47
Revenue from Supplies		
Supply of Goods - School Supplies	88.50	324.70
Rental Income	173.83	147.08
Empanelment Fees (Taxable)	12.00	8.25
TOTAL	7975.01	5,442.72

NOTE : 15

(Amounts in ₹ Lakhs)

OTHER INCOME

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Interest Income		
- Interest on Bank Deposits	39.73	17.49
- Interest on Income Tax Refund	-	3.63
Miscellaneous Income	2.84	0.51
Recovery from Doubtful debtors	-	1.52
Profit on Sale of Property, Plant and Equipment and Intangible Assets	-	0.23
TOTAL	42.57	23.38

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NOTE : 16

(Amounts in ₹ Lakhs)

EMPLOYEE BENEFIT

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Salary, Perks & Allowances	341.59	234.73
Salary – Manpower Supply (Contractual Staff)	2,870.76	1,912.78
Staff Welfare	6.89	1.65
Contribution to Employee Welfare / Statutory Funds:-		-
- ESI Employer Share	8.96	2.90
- Employee Provident Fund	138.09	44.88
- Gratuity Fund	14.30	8.76
- Superannuation Fund	12.88	15.70
- Leave Encashment	5.59	8.64
- NPS Contribution	7.13	-
TOTAL	3406.19	2,230.04

NOTE : 17

(Amounts in ₹ Lakhs)

FINANCE COST

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Interest on Loan	20.70	15.30
TOTAL	20.70	15.30

NOTE : 18

(Amounts in ₹ Lakhs)

OTHER EXPENSES

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Training Expenses (Skill Development Expenses)	2,721.68	792.29
Project Consultancy Expenses	649.97	512.47
Works Contract Expenses	248.15	304.92
Supply of Goods	113.91	315.27
IT Enabled Service Expenses	45.66	762.65
Operating Lease	164.46	136.82
Administrative Expenses:		

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NITCON LIMITED**2024-2025**

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Advertising	1.08	0.89
Travelling and Conveyance - MD & Directors	4.88	4.52
Travelling and Conveyance - Staff	13.64	8.48
Postage and Courier	0.22	0.35
Telephone and Internet	0.86	0.74
Printing and Stationery	3.72	1.30
Repair & Maintenance	0.79	2.33
Vehicle Running and Maintenance	2.84	2.04
Professional and Legal Expenses	38.84	58.27
Office Expenses	6.90	5.05
Office Rent	48.76	28.08
Electricity Expense	0.37	0.35
Business Promotion	7.43	3.14
Insurance Expenses	0.40	0.40
Bank Charges	23.02	1.87
Fees & Taxes	22.98	10.02
Interest and Late Fee	3.08	1.20
Payment To Statutory Auditor	1.65	0.60
Payment To Internal Auditor	0.73	0.40
Board Meeting Expenses	3.75	1.76
Subscription and Membership Fees	1.11	2.33
Books, Newspapers and Periodicals	0.01	0.05
Website & Software Expenses	11.86	0.08
Security Written Off	0.63	-
Accrued Interest Written off.	0.25	1.24
TOTAL	4143.63	2959.90

18.1 Payment to Auditor

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
<u>To Statutory Auditor</u>		
Statutory Audit	1.00	0.60
Tax Audit (Income Tax)	0.25	0.20
Tax Audit (GST)	-	-
Others (Certification Fee)	-	-
TOTAL	1.25	0.80



NOTE : 19

Notes to Accounts Part-A

Significant Accounting Policies

1. Corporate information

NITCON Limited ("the company") is a Public Limited Company incorporated on 28th March 1984. It was incorporated as Technical Consultancy Organization (TCO) with main objects of providing management and consultancy services, energy management services, manpower supply, IT enabled services, works contract services, skill training and lease rental income etc.

2. Basis of preparation

The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in compliance with all the mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) rules, 2014.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

(b) Revenue Recognition

The income from various services provided by the company is accounted for as follows:

- a. Income from Consultancy/IT Enabled Services assignments is accounted for on accrual basis however company is under preparation of SOP's for computation of proportion of work carried out.
- b. Income in case of skill training services the revenue is recognised when the conditions of the work order/grant is achieved.
- c. Income in case of works contract services is recognised on invoice basis, however the work completed but not billed is taken on WIP based on percentage completion basis.
- d. Income in case of manpower supply is recognised on cost plus markup basis.



- e. Amount Received on account of stipend from sanctioning authority for distribution among trainees being in the nature of reimbursement, is excluded from the gross revenue as well as gross expenditure, instead the same is treated as liability and is reduced when stipend is paid.
- f. Interest on Bank is accounted for, on the Banker's Certificate on accrual basis.

(c) Property, Plant & Equipments & Intangible Assets and Depreciation

- a. Property, Plant & Equipments & Intangible Assets have been stated at cost, inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any.
- b. The life of the software purchased is taken as same as the life of that of computer.
- c. Depreciation on Property, Plant & Equipments & Intangible Assets is charged WDV Method as per Schedule-II to the Companies Act, 2013.

(d) Employee Benefits

- a. The Company has a gratuity scheme whereby the Company contributes premium annually to the Life Insurance Corporation of India to cover its statutory as well as contractual liability to its employees and is accounted for on accrual basis as per the actuarial valuation done by LIC of India. The gratuity fund is an approved fund from Income Tax vide order no. CIT/PTA/I&P/91-92/GRATUITY-114/1536 DTD. 24TH April, 1992.
- b. The Company has a Superannuation Scheme whereby the Company contributes premium in two half yearly instalments to the Life Insurance Corporation of India to cover its liability of its employees and is accounted for on accrual basis as per the scheme approved by the company.
- c. Company has Leave encashment scheme whereby the Company contribute premium annually to the Life Insurance Corporation of India to cover its statutory as well as contractual liability to its employees. Leave encashment is accounted for on accrual basis as per the actuarial valuation done by LIC of India.
- d. Contribution to Provident Fund is made in accordance with provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of profit and loss in the period in which the contribution is due.

(e) Income Tax

Tax expense comprises of current and deferred tax.

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Company has opted for taxation regime u/s 115BAA and provision for tax has been made accordingly.



Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carried forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

(f) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of Equity Shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(g) Provisions & Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(h) Cash & Cash Equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



(h) Cash & Cash Equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(i) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(j) Foreign Exchange transactions

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii. Non monetary foreign currency items are carried at historical cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in the case of long term liabilities, where they relate to acquisition of property, plant & equipments and intangible assets, in which case they are adjusted to the carrying cost of such assets.

(k) Leases

Leases, where the lessor retains substantially all the risks and benefits of the ownership of the leased item are classified as operating leases. Lease rentals for assets taken on operating lease are charged to the statement of profit and loss in accordance with Accounting Standard 19 on leases.

(l) Trade Receivables

As per the Company's policy on provisioning for old outstanding balances ref policy no. NITCON/MD/Policy/2024-25 Dt. 20.11.2024.

- Balances outstanding for more than 3 years and less than 5 years are to be provided at 25%
- Balances outstanding for more than 5 years and less than 6 years are to be provided at 50%
- Balances outstanding for more than 6 years are to be 100% provided and written off



Notes to Accounts Part-B

1. Contingent Liability

S. No.	Particulars	Amount (Rs. In Lakhs)	Remarks
1.	Service Tax	200.93	Pending with CESTAT
2.	Service Tax	97.25	Pending with CESTAT
3.	Bank Guarantees	762.87	In lieu of Security deposit
	Total	1061.05	

1. First Appeal was filed with CESTAT on Oct 24, 2018 against Commissioner CGST's adjudication order dated July 19, 2018 confirming the demand of Rs.217.22 Lakhs plus interest pertaining to period 01.04.2012 to 31.03.2016. Rs 16.29 Lakhs has been Pre-Deposited @ 7.5% of Service Tax Demand of Rs. 217.22 Lcs to file the appeal with CESTAT.
2. First Appeal was filed with Commissioner (Appeal) on 12.08.2022 against Additional Commissioner CGST's order dated 13.02.2022 confirming the demand of Rs. 108.05 Lakhs plus interest pertaining to period 01.04.2016 to 30.06.2017. Rs 10.80 Lakhs has been Pre-Deposited @ 10% of Service Tax Demand of Rs. 108.05 Lakhs to file the appeal with CESTAT.
3. To expedite the above pending liability, NITCON voluntarily opted to go for early hearing and request for the same was filed on 24th March, 2025. In view of day-to-day persuasion, the organisation succeeded to get early hearing on 19th May, 2025. The hearing was done and response was satisfactory. The Tribunal has given the next date of hearing as 10th September, 2025.
4. Details of Bank Guarantee (Backed by FDR amounting to ₹ 583.90) issued to various government departments are given as follows:

Sr. No.	BANK GUARANTEES ISSUED TO	AMOUNT	DUE DATE
1	MINISTRY OF MINORITY AFFAIRS	0.60	03.01.2028
2	ICAT, MINISTRY OF HEAVY INDUSTRIES	40.00	31.10.2025
3	ICAT, MINISTRY OF HEAVY INDUSTRIES	8.00	10.07.2025
4	ICAT, MINISTRY OF HEAVY INDUSTRIES	12.00	31.10.2025
5	ICAT, MINISTRY OF HEAVY INDUSTRIES	4.20	05.03.2026
6	ICAT, MINISTRY OF HEAVY INDUSTRIES	8.00	31.10.2025
7	MUNICIPAL CORPORATION, NEW DELHI	100.00	06.12.2027
8	MUNICIPAL CORPORATION, NEW DELHI	10.00	06.12.2027
9	Bureau of Energy Efficiency	9.63	10.03.2026
10	Bureau of Energy Efficiency	8.67	31.12.2025
11	Jharkhand National Urban Livelihood Mission	2.63	22.12.2025
12	MINISTRY OF HOME AFFAIRS	18.89	18.05.2028
13	TUSCO	12.88	08.06.2026

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14	GAIL	8.55	30.06.2027
15	GAIL	36.61	26.11.2027
16	CET MAHARASHTRA	295.00	05.03.2026
17	THDC, ARUNANCHAL PRADESH	3.74	05.03.2026
18	TREDCO	0.98	22.04.2026
19	HPMC	7.50	11.09.2028
20	NULM, NASRULLAHGARH	1.27	15.05.2024
21	STATE PROJECT DIRECTOR(SAMAGRA SHIKSHA), GUJARAT	12.32	25.12.2026
22	MINISTRY OF HOME AFFAIRS	55.95	01.10.2026
23	NTPC	8.99	20.08.2025
24	GAIL	25.00	06.04.2026
25	MUNICIPAL CORPORATION, NEW DELHI	12.75	31.12.2026
26	GAIL	10.19	30.06.2027
27	THDC, KAUSHAMBI	28.52	06.05.2026
28	MINISTRY OF MINORITY AFFAIRS	1.51	07.07.2025
29	Jharkhand National Urban Livelihood Mission	7.95	28.12.2023
30	STATE PROJECT DIRECTOR (SAMAGRA SHIKSHA), RAJASTHAN	1.33	08.10.2024
31	STATE PROJECT DIRECTOR (SAMAGRA SHIKSHA), RAJASTHAN	7.14	08.10.2026
32	SOUTHERN COMMAND, MINISTRY OF DEFENCE	1.50	12.09.2023
33	GAIL	0.58	
	TOTAL	762.88	

2. Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 0.00 Lakhs (PY: Rs.0.00 Lakhs).

3. Related Party Disclosures

Name of Related Parties	Description of Relationship
NITCON Social Foundation	100% Subsidiary
SPA & NITCON Limited JV	Partner in Partnership Firm
HIKARI VENTURES Pvt. Ltd	Associate
Sh. Alok Perti (Chairman)	Key Management Personnel
Sh. Satvinder Singh (Managing Director)	Key Management Personnel

The related party transactions made during the financial year is as under: -

Name of Party	Nature of Transaction	2024-25 (In ₹ Lakhs)	2023-24 (In ₹ Lakhs)
Sh. Satvinder Singh	Remuneration	49.13	37.73
HIKARI VENTURES PVT. LTD.	Dividend Paid	4.88	2.93



4. **Segmental Reporting**
Segment Reporting is not applicable to the Company

5. **Foreign Exchange Earnings and Outgo**

Particulars	2024-25	2023-24
Foreign Exchange earnings (Excluding GST)	₹ Nil	₹ 25.08
Foreign Exchange expenses	₹ 0.10	₹ Nil

6. **Equity and Reserve and Surplus**

- I. **Equity:** -There is no change in share capital.
 - II. **Earnings per Share:** - EPS for the company has increased 796.03 to 1397.54 during the Current Year which shows company's financial performance improved due to increase in turnover and profit.
 - III. As per the management decision the past dividend declared to the shareholders has been charged to Reserve and Surplus directly and provision of current year dividend will be routed through Profit & Loss.
7. Non-Current Liabilities there is no long-term borrowings, loans or provisions so as such no effect over accounts
8. Current Liabilities of Rs. 3100.94 Lakhs

- I. **Short Term Borrowings** – The Company has secured cash credit limits of Rs.500 Lakhs from Bank of Maharashtra as per note no. 3 above which are Secured against Trade Receivables up to 120 days at a margin of 25% and also a non-fund based limit of ₹ 1000 lakhs. The Company has been regular in paying dues. The charge has been created and registered on Ministry of Corporate Affairs on the trade receivables and as per the board resolution dt. 16th January 2025 there is no personal guarantee involved.
- II. **Trade Payable** – The trade payables include creditors of the company, amounting to Rs. 940.85 Lakh. Out of the above, Rs. 261.44 Lakh is outstanding for more than 1 Year but upto 3 Years. Further, Rs.41.78 Lakhs is outstanding for more than 3 Years The balances are subject to confirmation and reconciliation.

As the prevailing practice the company has linked the payment of specific creditors with the realization of corresponding debtors. The trade payable which are outstanding for more than 180 days, there is no liability to pay GST as all the suppliers are either are not registered under GST or is an exempt supply, thus resulting into no lapse of Input Tax Credit because of nonpayment of GST amount to creditors as per Section 16 of CGST Act,2017. The management agreed to take a rational view on the creditor's vis-à-vis to the debtors.

9. **Other Current Liabilities of Rs. 1280.84 Lakhs**

- I. The GST payable is subject to reconciliation and filing of annual return and difference will be accounted for as and when reconciled.



- II. Advance from Customers amounting to ₹ 118.58 Lakhs is on account of billing yet to be done in next financial year 25-26 as the work was not initiated.
- III. Imprest from customer amounting to Rs 26.98 lakhs includes advance rent received from a particular customer and on which GST was already paid in advance.
- IV. Stipend payable grant which is either to be paid to the candidates who have undertaken training under skill development scheme or is returnable on demand basis by the Donee/sponsors.
- V. Unutilised Grant Amounting to ₹ 3.06 Lakhs is on account of salary payables under Unicef Project which will accrue in 2025-26.
- VI. Company has retained ₹ 0.55 Lakhs from one party due to uncomplete work on part of party as per work order given.
- VII. Amount of ₹ 20.05 Lakhs included in Other Payables is pending for reconciliation from Bank & Parties.

10. Short Term Provisions

- I. Other provision amounting to Rs. 577.89 Lakhs is based on estimates for expenses incurred for the incomes earned and billed during the CY for which actual bills are received in FY 25-26.
- II. Gratuity amounting to Rs.2.80 Lakhs includes Gratuity amount separately kept for the employees deputed to THDC department Dehradun and further it is payable to employees as per gratuity rules.

11. Non-Current Assets: Property, Plant and Equipment & Intangible Assets

- (a) The company does not hold any immovable property in its name. Therefore, the disclosure relating to title deeds of all the immovable properties (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the company is not applicable. Further, the company does not hold any immovable property jointly with others.
- (b) The company does not hold any immovable property. Therefore, the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

12. Non current investment

- I. NITCON invested in NITCON SOCIAL FOUNDATION of Rs. 1 lakh which includes 9999 no. of shares of Rs.10 each and 1 share of Rs. 10 in the name of Ms. Viranchi Singh as a nominee of NITCON LIMITED, which is 100% subsidiary of NITCON Limited registered u/s 8. However, this amount is neither refundable nor can be sold off but being invested in the company has been shown on Face



value for which market value is NIL as per the board decision, value of the investment has not been written off in the books of accounts.

- II. Company has invested ₹ 10,000/- in Joint Venture with SPA & NITCON LIMITED JV to carry work in Rawanda, Africa and the profit sharing ratio as per deed is 26%. Current value of the investment in JV comes out to ₹ 14.39 Lakhs as per capital account in the latest balance sheet of FY 2022-2024 available with the company.

13. Deferred tax has been calculated as per accounting standard on the temporary difference between the carrying amounts of fixed assets as per Companies act 2013 and Income Tax Act.

14. Current assets of Rs. 4069.83 Lakhs

1. Trade Receivable:-

Trade Receivables amounting to Rs. 2254.25 Lakhs contains balance outstanding for more than 1Year but upto 3 Years to the tune of Rs. 2189.56 Lakhs and more than 3 years to the tune of Rs. 64.69 Lakhs. The balances are subject to confirmation and reconciliation.

Management has decided that no provisioning of trade receivables is to be done in current FY 2024-25.

2. Cash & Bank Balances -

- a) Includes Bank balances and cash balances at both HO and Delhi branch of the Company and balance are reconciled.

15. Short term loans and advances-

- i. The company has not granted any Loan or Advances in the nature of loans to Promoters, directors, KMPs, related parties as defined under the companies Act,2013 either severally or jointly with any other person, that are:
- (i) Repayable on demand or
- (ii) Without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (In ₹ Lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	Nil	Nil
Directors	Nil	Nil
KMPs	Nil	Nil
Related Parties	Nil	Nil

16. Other Current Assets:-

Accrued income is on account of 10% unbilled value of work completed, pertaining to works contracts for the period ending 31st March, 2025.



17. Others

- I. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and rules made there under.
- II. The company is not declared by any bank or financial institution or other lender as a wilful defaulter.
- III. The company has not entered any transaction with the companies struck off under section 248 of the companies Act, 2013.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year.
- V. NITCON Limited holds 9999 number of shares of RS. 10 each in NITCON SOCIAL FOUNDATION (Section 8 Company) resulting in single layer subsidiary as prescribed under clause 87 of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- VI. Dividend is paid during the year for FY 2023-24 @ ₹ 50 per share and TDS u/s 194 was duly deducted while paying the dividend to the shareholders.
- VII. Municipal Corporation, Delhi has awarded on lease to NITCON a plot of land for development of ANM Centre and Hospital for which NITCON is paying quarterly rental of ₹ 5.18 Lakhs and ₹ 28.35 Lakhs respectively. Further, NITCON has entered in back to back agreement and is charging rental at 7.5% markup. NITCON has considered the above income and expenditure in the nature of business for Income Tax purposes.
- VIII. The figures have been rounded off to the nearest rupees in lakhs.
- IX. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary, to conform with the current year's presentation.



The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024: -

S. No	Particulars	Numerator	Denominator	31-03-25	31-03-24	Variance
1.	Current Ratio	Current Assets	Current Liabilities	1.31	1.24	5.84% *
2.	Debt-Equity Ratio	Total Debt	Shareholders' Equity	-	-	-
3.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	-
4.	Return on Equity (ROE)	Net Profit after Taxes	Average Shareholders' equity	39.22	29.04	35.06% **
5.	Inventory Turnover Ratio	Sale of goods & scrap	Average Inventory	NA	NA	NA
6.	Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	1.04	1.09	(4.72)% ***
7.	Trade Payable Turnover Ratio	Purchases	Average Trade Payable	6.96	5.93	17.35% ***
8.	Net Capital Turnover Ratio	Revenue	Average Working Capital	8.23	8.36	(1.54)% ****
9.	Net Profit Ratio	Net Profit	Total Income	4.12	3.18	29.42% *****
10.	Return on Capital Employed (ROCE)	Earnings before Interest & Taxes	Capital Employed	44.05	34.18	28.89% *****
11.	Return on Investment (ROI)					
	Quoted	Income generated from Investments	Time weighted average investments	NA	NA	NA
	Unquoted	Income generated from Investments	Time weighted average investments	0.07	0.07	(0)% *****

*The current ratio has increased due to decrease in the level of current liabilities.

** The ratio has increased due to Net profit after tax during the current financial year.

*** Trade Receivable Turnover Ratio has decreased as the company is on the verge of growth and has expanded its portfolio of services due to which credit sales has increased.

*** Trade Payable Turnover Ratio has increased due to increase in business.

**** Revenue growth along with higher efficiency on working capital improvement has resulted in improvement in the ratio.



NITCON LIMITED

CIN:- U74140CH1984PLC005796

2024-2025

***** The net profit ratio has increased due to increase in contribution over fixed cost.

***** ROCE has increased due to increase in profit before taxes.

For NITCON LIMITED



(Geet Krishan Sabhlok)
Sr. Manager (Accounts)



(Alok Perti)
Director
DIN: 00475747



(Satvinder Singh)
Managing Director
DIN: 08739161

For Sanjay Arora & Associates
Chartered Accountants

(FRN No. 008445N)



(CA. Sanjay Arora)
FCA, Partner
M.No. 084254

UDIN: 25084254BNGHMK2077

Place: Chandigarh

Dated: 27 JUN 2025



Independent Auditors' Report

To
The Members
NITCON LIMITED

Report on the Audit of the standalone Financial Statements

Opinion

We have audited the standalone financial statements of NITCON LIMITED ("the Company"), which comprises the Balance sheet as at March 31, 2025, the Statement of Profit and Loss and Statement of Cash Flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its financial performance, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Further, as per SA 701 "*Communicating Key Audit Matters in the Independent Auditor's Report*", the reporting of key audit matters is mandatory only in the case of audits of complete sets of general purpose financial statements of **listed entities**. In the case of the said entity, which is **not a listed entity**, reporting of key audit matters is **not mandatory**



Emphasis of Matter

Refer to the following Notes to Accounts which may affect the Financial Statements:

Note No. 4 read with Note No. 19 Part –B (8)(ii)

Trade Payables amounting to Rs. 940.85 Lakhs contains balance outstanding for more than 1 Year but upto 3 Years to the tune of Rs. 261.44 Lakhs and more than 3 years to the tune of Rs. 41.78 Lakhs.

The balances are subject to confirmation and reconciliation.

Note No. 5 read with Note No. 19 Part –B (9)(ii)

Advance from Customers amounting to Rs. 118.58 Lakhs is on account of billing yet to be done in next financial year 25-26 as the work was not initiated.

Note No. 5 read with Note No. 19 Part –B (9)(iii)

Imprest from customer amounting to Rs. 26.98 lakhs includes advance rent received from a particular customer and on which GST was already paid in advance.

Note No. 5 read with Note No. 19 Part –B (9)(iv)

Stipend payable grant which is either to be paid to the candidates who have undertaken trainee under skill development scheme or is returnable on demand basis by the Donee/sponsors.

Note No. 5 read with Note No. 19 Part –B (9)(v)

Unutilised Grant Amounting to ₹ 3.06 Lakhs is on account of salary payables under Unicef Project which will accrue in 2025-26.

Note No. 5 read with Note No. 19 Part –B (9)(vi)

Company has retained ₹ 0.55 Lakhs from one party due to uncomplete work on part of party as per work order given.

Note No. 5 read with Note No. 19 Part –B (9)(vii)

Amount of ₹ 20.05 Lakhs included in Other Payables is pending for reconciliation from Bank & Parties

Note No. 6 read with Note No. 19 Part –B (10)(i)

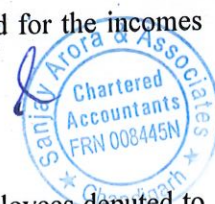
Other provision amounting to Rs. 577.89 Lakhs is based on estimates for expenses incurred for the incomes earned and billed during the CY for which actual bills are received in FY 25-26.

Note No. 6 read with Note No. 19 Part –B (10)(ii)

Gratuity amounting to Rs. 2.80 Lakhs includes Gratuity amount separately kept for the employees deputed to THDC department Dehradun and further it is payable to employees as per gratuity rules.

Note No. 7 read with Note No. 19 Part –B (11)(a,b)

The management has stated that fixed assets are all in good and workable condition and no provisioning of unserviceable fixed asset have been done during the year. The company has charged depreciation as per Schedule II of Companies Act, 2013. The company does not hold any immovable property in its name.



Therefore, the disclosure relating to title deeds of all the immovable properties (other than properties where the company is the lessee and lease agreements are duly executed in favor of the lessee) are held in the name of the company is not applicable. The physical verification of fixed asset is the responsibility of the management and we have relied on the management representation for the physical verification.

Note No. 8 read with Note No. 19 Part –B (12) (i & ii)

- a. Nitcon invested in Nitcon Social Foundation of Rs. 1 lakh which includes 9999 no. of shares of Rs.10 each and 1 share of Rs. 10 in the name of Ms. Viranchi Singh as a nominee of NITCON LIMITED, which is 100% subsidiary of NITCON Limited registered u/s 8. However, this amount is neither refundable nor can be sold off but being invested in the company has been shown on Face value for which market value is NIL as per the board decision, value of the investment has not been written off in the books of accounts.
- b. Company has invested Rs. 10,000/- in Joint Venture with SPA & NITCON LIMITED JV to carry work in Rawanda, Africa and the profit sharing ratio as per deed is 26%. Current value of the investment in JV comes out to Rs. 14.39 Lakhs as per capital account in the latest balance sheet of FY 2023-24 available with the company.

Note No. 10 read with Note No. 19 Part –B (14)(1)

Trade Receivables amounting to Rs. 2254.25 Lakhs contains balance outstanding for more than 1 Year but upto 3 Years to the tune of Rs. 2189.56 Lakhs and more than 3 years to the tune of Rs. 64.69 Lakhs. The balances are subject to confirmation and reconciliation.

As per the Company's policy on provisioning for old outstanding balances ref *policy no. NITCON/MD/Policy/2024-25*.

- Balances outstanding for more than 3 years and less than 5 years are to be provided at 25%
- Balances outstanding for more than 5 years and less than 6 years are to be provided at 50%
- Balances outstanding for more than 6 years are to be 100% provided and written off

No provisioning has been made during the financial year 2024-2025 in respect of the above aging criteria.

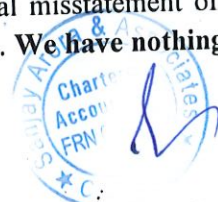
.Information other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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



Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

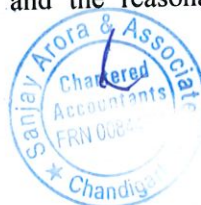
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

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

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

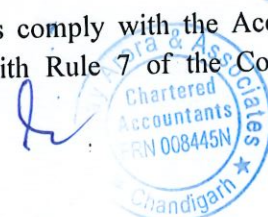
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



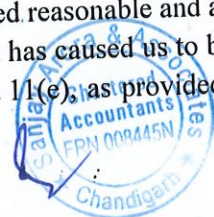
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. Accounts of branch office has not been audited by any other person other than company's auditor, accordingly reporting under this clause is not applicable.
 - d. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014



- f. On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. During the year, the company was not liable to transfer any amount to the Investor Education Protection Fund
 - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement



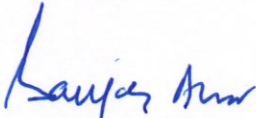
- v. The Final dividend of Rs.11,74,250 proposed in the previous year declared and paid any dividend during the year.
- a) The declaration and payment of above-mentioned dividend was in accordance with Section 123 of the Companies Act, as applicable,
- b) In respect of payment of above-mentioned, no dividend was unpaid as on 31-03-2025.
- vi. Based on our examination , which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31,2025 which has a features of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions records in the software . Further, during the course of our audit we did not come across any instance of the audit trail features being tampered with.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N



CA SANJAY ARORA

Partner

Membership Number: 084254

Place of Signature: Chandigarh

Date: **27 JUN 2025**

UDIN:- 25084254BMGHHK2077



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NITCON LIMITED

(Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" section of our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

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

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

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

b) The Property, Plant and Equipment of the Company were physically verified by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification

c) According to the information and explanations given by the management, we report that, the company does not hold any immovable property in its name as at the balance sheet date.

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

e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

II.

a) The Company's main activity is of providing consultancy / training / Certification services and does not have any physical inventory. Accordingly reporting under Clause 3(ii)(a) of the said Order are not applicable to the Company.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at points of time during the year, from banks and secured against Trade Receivables upto 120 days. In our opinion and according to information and explanations given to us, and as disclosed in Note No. 3 read with Note No. 19 Part - B (8)(i) of the Standalone Financial Statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.

III.

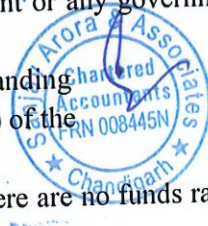
According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided a guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.

- IV. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- V. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 3 (v) of the Order are not applicable to the company.
- VI. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- VII. According to the information and explanations given to us and based on the records of the company examined by us:

- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it .
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other materials Statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- However, according to information and explanations given to us, the following dues of income tax have not been deposited/disputed by the Company:

S.No.	Nature of statutory dues	Amount (Rs.)	Period to which dues relates	Forum where dispute is pending
1.	Service Tax	200.93 Lacs	FY 2012-13 to 2015-16	CESTAT
2.	Service Tax	97.25 Lacs	FY 2016-17 to 2017-18	CESTAT

- VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX. a. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- b. In our opinion and according to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. In our opinion and according to the information and explanation given to us, there are no funds raised on short term basis which have been utilised for long term basis.
- e. In our opinion and according to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. In our opinion and according to the information and explanation given to us, The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.



X.

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI.

- a) On the basis of books and records of the company examined by us and according to the information and explanations given to us, we report no fraud by the Company and no material fraud on the Company has been noticed or reported during the year in the course of audit
- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report
- c) As represented to us by the Management, the company has not received any whistle blower complaints received by the Company during the year (and upto the date of this report), and hence reporting under clause 3(xi)(b) of the Order is not applicable.

XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable

XIII. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV.

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

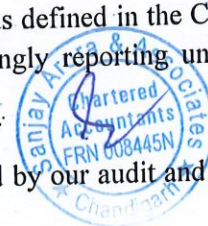
XV. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xv) of the order is not applicable.

XVI.

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

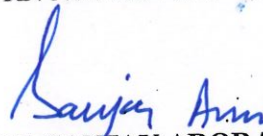
XVII. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

XVIII. There has been no resignation of the statutory auditors of the Company during the year.



- XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any assurance nor any commitment that all future liabilities falling due within a period of one year from the balance sheet date, will be get discharged by the Company as and when they fall due.
- XX. In our opinion and according to the information and explanations are given to us, Corporate Social Responsibility (CSR) is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- XXI. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Sanjay Arora & Associates**
Chartered Accountants
FRN No : 008445N


CA SANJAY ARORA
Partner
M. Number: 084254
Place: Chandigarh
Date: 27 JUN 2025
UDIN:- 25084254BMGHHK2077



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NITCON LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NITCON LIMITED ("the Company") as of March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Financial statements.



Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these Financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Sanjay Arora & Associates

Chartered Accountants

FRN No: 008445N

Sanjay Arora

CA SANJAY ARORA

Partner

M. No.: 084254

Place : Chandigarh

Date: 27 JUN 2025

UDIN:- 25084254BMGHHK2077



Annexure "3" to the Independent Auditor's Report of even date on the Standalone Financial Statements of NITCON LIMITED

DIRECTION SUNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 IN RESPECT OF NITCON LIMITED

S No.	Question	Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all accounting Transactions through IT (through Tally Accounting Software) Accounting Vouchers are prepared with the support of evidence (internal or external) and same is recorded in Software. No accounting transaction remains unprocessed through IT.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of Lender Company).	No, there are no such cases of waiver/write off of debts/loans/interest etc.
3.	Whether funds (grants/subsidy etc.) received /receivable for specific schemes from central/state Government or its agencies were properly accounted for /utilized as per its terms and conditions? List the cases of deviation.	Yes, as utilization certificates are provided to the sanctioning authority after completion of implemented scheme on behalf of central /state agencies as per scheme terms and conditions.

For **Sanjay Arora & Associates**
Chartered Accountants
FRN No: 008445N

Sanjay Arora



CA SANJAY ARORA

Partner

M. No.: 084254

Place : Chandigarh

Date: **27 JUN 2025**

UDIN:- 25084254BMGHHK2077