Press Release

Nitco Limited

September 09th, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-convertible Debentures	50.00	IVR BB+/ Stable [IVR Double B Plus with Stable Outlook]	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating) *	Rating Upgraded; and removed from Issuer Not Cooperating category	Simple
Redeemable Non-Convertible Preference Shares	150.00	IVR BB+/ Stable [IVR Double B Plus with Stable Outlook]	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating) *	Rating Upgraded; and removed from Issuer Not Cooperating category	Simple
Long Term Fund-Based Bank Facilities	0.00 (Reduced from Rs.520.50 crore)	--	IVR D; ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating) *	Rating Withdrawn**	Simple
Total	**Rs. 200.00 crore (Rupees Two hundred crore Only)**				

** Issuer not cooperating; Based on best available information*

***Infomerics has withdrawn the ratings for this facility on the basis of request by the company, and no dues certificate by the lender. The rating is withdrawn in line with Infomerics policy of Withdrawal of rating.*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has upgraded the rating assigned to the debt instruments of Nitco Limited (NL) reflects comfortable capital structure led by restructuring and fresh equity infusion during FY24-25 and expected to maintain same in the future. The rating continues to derive comfort from experienced promoters with established track record in the business. The rating strengths are partially offset by moderate scale of operations, sustained declined in profitability and elongated working capital cycle.

The Stable Outlook reflects expected moderate growth in revenue and profitability and expectations of healthy cash flow through FY26-FY28 through monetisation of assets.

Infomerics has withdrawn the ratings assigned to bank facilities as bank facilities has been fully repaid and no dues received from Authum Investment and Infrastructure Limited and Life Insurance Corporation of India Limited, and the withdrawal of the ratings are in line with Infomerics Policy of Withdrawal.

Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the scale of operations along with profitability on a sustained basis along with significant improvement in working capital cycle improving liquidity of the company.

Downward Factors

- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

Comfortable capital structure led by debt restructuring and fresh equity infusion

NL's capital structure has improved significantly marked by gearing and TOL/TNW respectively stood at 1.35x and 2.81x as on 31st March 2025 (FY24: negative 1.88x and negative 2.34x respectively), led by equity infusion as well as debt restructuring during FY25. During FY25, NL has converted approx. 1,037 crore of debt payable to Authum Investment and Infrastructure Limited (AIIL) into equity as well as the company has raised Rs.350 crore through various third-party investors.

Healthy cash flow in upcoming years

NL holds a sizable land bank balance of 559 acres, with an estimated market value of ~Rs.3,867 crore. NL is actively planning to monetize part of this land parcel in order to bridge its working capital requirements and strengthen its liquidity position. Successful execution of this monetization plan is expected to provide substantial cash inflows, reduce reliance on external borrowings, and support the company's future growth in revenue. NL recently entered into a Joint Development Agreement for a parcel of its land for which it has received an interest free adjustable advance of Rs.58.42 crore, which has been reflected in its Q1FY26 results. Additionally, the company has entered into a memorandum of agreement with a reputed real estate developer for its land sale, under which NL has received an advance of Rs.143 crore in FY25.

Experienced promoters with established track record in the business

NL is promoted and managed by Vivek Prannath Talwar who have over four decades of experience in the tiles industry. He looks after the overall activities of the company as well as the group. He is supported by a skilled team of professionals in their respective fields.

B. Key Rating Weaknesses.

Moderate scale of operation and decline in profitability

Revenue growth remained flat, and the company has reported revenue of Rs.314.39 crore in FY25 (period refers to 01st April 2024 to 31st March 2025) (FY24: Rs.325.22 crore), with stable volume growth. However, Infomerics expects the revenue likely to improve from FY26 onwards with order book of close to Rs.260 crore and revenue through land sale Further till June 30th, 2025, company has achieved a sale of Rs.93.53 crore. NL has reported operating losses during FY25 due to higher operating cost, however EBITDA turned positive during 1QFY26 with EBITDA margins of 25%.

Elongated working capital cycle

NL's working capital cycle remains stretched due to losses from its operating business and lack of adequate working capital, resulting in an increase in outstanding creditor days to 131 in FY25. NL's collection period and inventory days also remained high at 59 and 278 respectively, with inventory largely comprising land and property held for sale. Consequently, the operating cycle stood elongated at 207 days in FY25. However, Infomerics expects the operating cycle to improve going forward, driven by asset sales that will reduce inventory days and enable the company to repay its creditors. Asset monetisation will be key monitorable for the credit perspective.

Analytical Approach: Consolidated Approach

For arriving at the ratings, Infomerics has taken a consolidated approach for analysing the business and financial performance of NL and its wholly own subsidiary Nitco Realties Private limited due to common management and operational and financial linkages between these two companies.

Applicable Criteria:

Rating Methodology for Trading Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Criteria on consolidation of companies
Policy on withdrawal of ratings

Liquidity: Adequate

NL's liquidity is expected to remain adequate given the expected healthy cash accruals for the period of FY26 to FY28 backed by asset monetisation as against the repayments of Rs.30 to Rs.40 crore for the same period. The free cash and cash equivalents balance stood at Rs.90.43 crore as on March 31st, 2025. Current ratio stood at 2.07x as on March 31st, 2025.

About the company

NITCO Limited was established in 1966 by late Mr. Pran Nath Talwar, a first-generation entrepreneur, company based in Mumbai. The Company is engaged in trading of floor and wall solutions with a portfolio comprising a comprehensive range of tiles and mosaic. Further company is having processing plant for marbles however the revenue for the marbles is contribute ~11% of the entire revenue for FY25. Also, company has forayed into real estate sector as they have healthy land bank balance.

Financials (Consolidated): **(Rs. crore)**

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Audited)
Total Operating Income	325.22	314.39
EBITDA	(42.87)	(34.73)
PAT	(162.96)	(741.15)
Total Debt	971.13	285.92
Tangible Net Worth	(515.67)	211.68
EBITDA Margin (%)	(13.18)	(11.05)
PAT Margin (%)	(49.37)	(226.14)
Overall Gearing Ratio (x)	(1.88)	1.35
Interest Coverage (x)	(0.45)	(0.49)

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1.	Long Term Fund-Based Bank Facilities	Long Term	0.00	Withdrawn	**(August 18, 2025)** IVR D; ISSUER NOT COOPERATING*	**(Sept 03, 2024)** IVR D	--
2.	Non-convertible Debentures	Long Term	50.00	IVR BB+/ Stable	**(August 18, 2025)** IVR D; ISSUER NOT COOPERATING*	**(Sept 03, 2024)** IVR D	--
3.	Redeemable Non-Convertible Preference Shares	Long Term	150.00	IVR BB+/ Stable	**(August 18, 2025)** IVR D; ISSUER NOT COOPERATING*	**(Sept 03, 2024)** IVR D	--

** Issuer not cooperating; Based on best available information*

Name and Contact Details of the Rating Analyst:

Name: Amey Joshi
Tel: (022) 62396023
Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	ISIN	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Non-Convertible Debenture	February 28th, 2018	5.00%	Not Applicable as instrument was issued in physical form	February 2028	50.00	IVR BB+/ Stable
Redeemable non-convertible preference shares	February 28th, 2018	0.10%	INE858F04016	March 2035	150.00	IVR BB+/ Stable

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_nitco_sep25_74a19c6873.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:

Particulars: Non-Convertible debentures	Description
Issuer	**Nitco Limited**
Issue Size (Sanction Amt)	Rs. 50.00 Crore
Objects of the Issue	Restructuring of Existing Loan from various banks
Investors / Lenders	Authum Investment and Infrastructure Ltd
Instrument	**Non-Convertible debentures**
Maturity	February, 2028
Redemption / Maturity Date	The Debenture shall be repaid at the end of 10 years from the effective date (i.e. 28th February 2018).
Coupon Rate (Interest Rate)	**5.00%**
Coupon Payment Frequency	Bullet Repayment
Coupon Type	Fixed Rate
Covenants and Undertakings	Borrower further covenants and agrees that until full and final payment by the Borrower of all its dues to JMFARC, it shall not, without the prior written consent of JMFARC:

Particulars: Non-Convertible debentures	Description
	A. Create any mortgage, charge, lien or other encumbrance in any form whatsoever over any of its properties and assets. B. Create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise except for transactions in the ordinary course of business. C. Enter into any merger/amalgamation or consolidation or any scheme of arrangement or compromise for the benefit of its creditors, or sell. Lease or transfer all or any part/portion of its undertaking or division(s) and/or fixed assets. D. Effect any material change in the composition of its board of directors or in the management set—up or ownership of its business. E. Assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm, company or corporation except for transactions in the ordinary course of business. F. Amend its memorandum and articles of association or alter its capital structure or its shareholding pattern. G. Allow transfer or disposal of shareholding of any of the promoters in its equity or quasi capital (except transfer /disposal with the prior written consent of the secured lenders) or permit withdrawal of any subordinated loans or deposits obtained at any time by borrower from its promoter directors and their friends and associates or the working capital requirements of borrower, or make prepayment of any long-term debt; declare or pay any dividend or make any distribution to any of the shareholders extend any loan or advance to or place deposit with any company. H. The Borrower and/or Guarantor(s) shall not undertake any new project or expansion or make any investments or take any assets on lease without the permission of JMFARC. Also the Borrower shall take prior written approval of JMFARC for incurring any capital expenditure exceeding the budgeted amount. I. The Borrower and/or Guarantor(s) shall enter into such agreements, deeds and writings as may be required for effectually complying with obligations as may be stipulated by JMFARC; J. All related party (as defined in the Companies Act 2013) transactions exceeding such amount as may be specified by JMFARC in writing will require prior written approval of JMFARC;

Particulars: Non-Convertible debentures	Description
	Borrower and/or Promoters assure that any additional fund requirements not envisaged in the Cost of Scheme and Source of Funds would be met by them. K. Borrower and/or Promotors assure that any additional fund requirements not envisaged in the cost of scheme and source of funds would be met by them. L. The Borrower and/or Guarantor(s) shall promptly give written notice to JMFARC of the following: a. Any litigation, arbitration, statutory action or other proceedings commenced or threatened against the Borrower and Guarantor(s) including any application for its winding-up under applicable laws including Insolvency and Bankruptcy Code, 2016, which if determined against the Borrower and/or Guarantors and/or Pledgors may impair its ability to discharge its obligations here under; b. any dispute between the Borrower and/or Guarantor(s) and any third party which if not resolved may lead to a material adverse change in the Borrower's and/or Guarantor(s) financial condition or operations, or adversely affect the observance and performance of its obligations hereunder; and c. All terms and conditions in respective loan agreements and other documents including security documents shall continue to remain in full force and effect as if those terms and conditions are incorporated herein, except as specifically modified herein. In case of any inconsistency or repugnancy, the terms and conditions contained herein shall prevail. M. Borrower and/or Guarantor(s) shall arrange to resolve all pending legal disputes to the satisfaction of JMFARC. All suits filed by any other lenders and agencies shall be resolved in accordance with the parameters of the Restructuring Scheme. N. Borrower may appoint an external counsel, to complete the documentation, creation of security and complete all legal formalities as required under this Restructuring Scheme. All costs, charges and expenses of the external counsel shall be incurred, met, paid by Borrower. The external counsel would continue till all the legal formalities required under this Restructuring Scheme are completed to the satisfaction of JMFARC.

Particulars: Non-Convertible debentures	Description
	O. Borrower shall route ail payments through the Escrow Accounts. p. All unsecured loans/ creditors, liabilities to related companies thereon, if any shall always be sub-ordinate to the Facilities and should be permitted to be repaid only with the prior approval of JMFARC.
Negative covenants	(A) Unless the Lender otherwise agrees. the Borrower shall not without prior intimation of the lender: (I) New Project Undertake any new project, diversification. modernization or substantial expansion of the borrower described herein. The word "substantial" shall have the same meaning as under the Industries (Development and Regulation) Act, 1951. (II) loans Debentures And Charges Issue any debentures, raise any loans. deposits from public, issue equity or preference capital. change its capital structure or create any charge on its assets Or give any guarantees. This provision shall not apply to normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers in the ordinary course of business or to raising of unsecured loans, overdrafts, cash credit or other facilities from banks in the ordinary course of business. (III) Premature Repayment Prepay any loan availed of by it from any other party without the prior approval of the Lender. If for any reason, the Borrower is required to prepay any loan, it shall make proportionate prepayment to Lender as well as subject to such conditions as may be stipulated by Lender. (IV) Commission Pay any commission to its promoters, directors. managers. or other persons for furnishing guarantees. counter guarantees or indemnities or for undertaking any Other liability in connection with any financial assistance obtained for or by the Borrower or in connection with any other obligation undertaken for or by the Borrower. (V) Revaluation of Assets Revalue its assets at any time during the currency of the loans.

Particulars: Redeemable Non-Convertible Preference shares	Description
Issuer	**Nitco Limited**
Issue Size (Sanction Amt)	Rs.150.00 crore
Objects of the Issue	Restructuring of Existing Loan from various banks
Investors / Lenders	Authum Investment and Infrastructure Ltd
Instrument	**Redeemable Non-Convertible Preference shares**
Maturity	March 2035
Redemption/ Maturity Date	Preference Shares shall be repaid at par in 8 equal annual instalments commencing from the end of 10 years from the effective date 28th February 2018.
Coupon Rate (Interest Rate)	0.10%
Coupon Payment Frequency	Annual
Coupon Type	Fixed Rate
Covenants and Undertakings	Borrower further covenants and agrees that until full and final payment by the Borrower of all its dues to JMFARC, it shall not, without the prior written consent of JMFARC: A. Create any mortgage, charge, lien or other encumbrance in any form whatsoever over any Of its properties and assets. B. Create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise except for transactions in the ordinary course of business. C. Enter into any merger/amalgamation or consolidation or any scheme of arrangement or compromise for the benefit of its creditors or sell. Lease or transfer all or any part/portion of its undertaking or division(s) and/or fixed assets. D. Effect any material change in the composition of its board of directors or in the management set—up or ownership of its business. E. Assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm, company or corporation except for transactions in the ordinary course of business. F. Amend its memorandum and articles of association or alter its capital structure or its shareholding pattern. G. Allow transfer or disposal of shareholding of any of the promoters in its equity or quasi capital (except transfer /disposal with the prior written consent of the secured lenders) or permit withdrawal of any subordinated loans or deposits obtained at any time by borrower from its promoter directors and their friends and associates or the working capital requirements of borrower, or make prepayment of any long-term debt; declare or pay any

Particulars: Redeemable Non-Convertible Preference shares	Description
	dividend or make any distribution to any of the shareholders extend any loan or advance to or place deposit with any company. H. The Borrower and/or Guarantor(s) shall not undertake any new project or expansion or make any investments or take any assets on lease without the permission of JMFARC. Also, the Borrower shall take prior written approval of JMFARC for incurring any capital expenditure exceeding the budgeted amount. I. The Borrower and/or Guarantor(s) shall enter into such agreements, deeds and writings as may be required for effectually complying with obligations as may be stipulated by JMFARC; J. All related party (as defined in the Companies Act 2013) transactions exceeding such amount as may be specified by JMFARC in writing will require prior written approval of JMFARC; Borrower and/or Promoters assure that any additional fund requirements not envisaged in the Cost of Scheme and Source of Funds would be met by them. K. Borrower and/or Promotors assure that any additional fund requirements not envisaged in the cost of scheme and source of funds would be met by them. L. The Borrower and/or Guarantor(s) shall promptly give written notice to JMFARC of the following: a. Any litigation, arbitration, statutory action or other proceedings commenced or threatened against the Borrower and Guarantor(s) including any application for its winding-up under applicable laws including Insolvency and Bankruptcy Code, 2016, which if determined against the Borrower and/or Guarantors and/or Pledgors may impair its ability to discharge its obligations here under; b. any dispute between the Borrower and/or Guarantor(s) and any third party which if not resolved may lead to a material adverse change in the Borrower's and/or Guarantor(s) financial condition or operations, or adversely affect the observance and performance of its obligations hereunder; and c. All terms and conditions in respective loan agreements and other documents including security documents shall continue to remain in full force and effect as if those terms and conditions

Particulars: Redeemable Non-Convertible Preference shares	Description
	are incorporated herein, except as specifically modified herein. In case of any inconsistency or repugnancy, the terms and conditions contained herein shall prevail. M. Borrower and/or Guarantor(s) shall arrange to resolve all pending legal disputes to the satisfaction of JMFARC. All suits filed by any other lenders and agencies shall be resolved in accordance with the parameters of the Restructuring Scheme. N. Borrower may appoint an external counsel, to complete the documentation, creation of security and complete all legal formalities as required under this Restructuring Scheme. All costs, charges and expenses of the external counsel shall be incurred, met, paid by Borrower. The external counsel would continue till all the legal formalities required under this Restructuring Scheme are completed to the satisfaction of JMFARC. O. Borrower shall route ail payments through the Escrow Accounts. p. All unsecured loans/ creditors, liabilities to related companies thereon, if any shall always be sub-ordinate to the Facilities and should be permitted to be repaid only with the prior approval of JMFARC.
Negative covenants	(A) Unless the Lender otherwise agrees. the Borrower shall not without prior intimation of the lender: (I) New Project Undertake any new project, diversification. modernization or substantial expansion of the borrower described herein. The word "substantial" shall have the same meaning as under the industries (Development and Regulation) Act, 1951. (II) loans Debentures and Charges Issue any debentures, raise any loans. deposits from public, issue equity or preference capital. change its capital structure or create any charge on its assets Or give any guarantees. This provision shall not apply to normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers in the ordinary course of business or to raising of unsecured loans, overdrafts, cash credit or other facilities from banks in the ordinary course of business. (III) Premature Repayment Prepay any loan availed of by it from any other party without the prior approval of the Lender. If for any reason,

Particulars: Redeemable Non-Convertible Preference shares	Description
	the Borrower is required to prepay any loan, it shall make proportionate prepayment to Lender as well as subject to such conditions as may be stipulated by Lender. (IV) Commission Pay any commission to its promoters, directors. managers. or other persons for furnishing guarantees. counter guarantees or indemnities or for undertaking any Other liability in connection with any financial assistance obtained for or by the Borrower or in connection with any other obligation undertaken for or by the Borrower. (V) Revaluation of Assets Revalue its assets at any time during the currency of the loans.

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidation Approach
Nitco Realties Private limited	100%

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.