

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

SETTLEMENT ORDER

[SETTLEMENT ORDER NO.: SO/AN/PR/2024-25/7808, 7809]

In respect of:

Settlement Application No.	Name of Applicant	PAN
7808/ 2024	Nitco Limited	AAACN1674N
7809/ 2024	Vivek Talwar	AAAPT3994Q

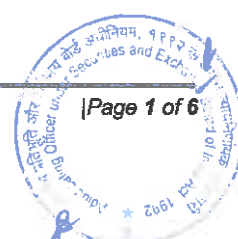
In the matter of Nitco Limited

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") initiated adjudication proceedings under Section 15-I of the Securities and Exchange Board of India Act, 1992 ('SEBI Act, 1992', in short) in respect of Nitco Limited ('Noticee 1' / 'Nitco' / 'Company' / 'Applicant 1'), and Vivek Talwar ('Noticee 2' / 'Applicant 2') in the matter of Nitco Limited for the alleged violation of the following provisions:

1.1. In respect of Noticee 1: Regulation 4(1), 33(1)(a), 33(1)(c), 34(3) and 48 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations, 2015].

1.2. In respect of Noticee 2: Regulations 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(7), and 17(8) of SEBI LODR Regulations, 2015 read with Regulation 4(1), 33(1)(a), 33(1)(c), 34(3) and 48 of SEBI LODR Regulations, 2015 and Section 27 of SEBI Act, 1992.

(Noticee 1 and Noticee 2 collectively also referred to as 'Noticees' / 'Applicants', unless the context specifies otherwise)



2. Whereas, the Competent Authority was prima facie of the view that there were sufficient grounds to adjudicate upon the alleged violation by the Noticees, as stated above and therefore, in exercise of the powers conferred under Section 19 of the SEBI Act, 1992 read with sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, the Competent Authority appointed Ms. Barnali Mukherjee, Chief General Manager as Adjudicating Officer (erstwhile AO) vide order dated February 13, 2024 to inquire into and adjudge under Section 15HB of the SEBI Act, 1992 for the alleged violation by the Noticees. Pursuant to the transfer of Ms. Barnali Mukherjee, undersigned was appointed as the Adjudicating Officer vide order dated January 15, 2025. The said proceedings of appointment were communicated to the undersigned vide communiqué dated January 24, 2025.
3. A Show Cause Notice No. SEBI/EAD/BM/DS/11289/1/2024 dated March 20, 2024 ('SCN') was served upon the Noticees in terms of provisions of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, calling upon to show cause why an inquiry should not be held and penalty not be imposed, under section 15HB of the SEBI Act, 1992 for the alleged violations of the provisions, as stated. Briefly stated, following was inter alia observed and alleged in respect of the Noticees:
- 3.1. Noticee 1: Nitco Limited
- I. Nitco did not comply with the provisions of the prescribed accounting standards while assessing impairment and lifetime expected credit losses/ provisions of the outstanding loans. The same resulted in alleged misrepresentation/ misstatement in the company's financial statement to the extent of Rs. 10.89 crores for FYs 2018-19 and 2019-20 and Rs. 14.52 crores for FYs 2020-21 and 2021-22.
- II. Further, Nitco also did not allegedly disclose the outstanding balances of loans to all the related parties under related party disclosures as per



the provisions of Ind AS 24 from FY 2018-19 to FY 2021-22. In view thereof, Noticee 1 allegedly violated provisions of Regulation 4(1), 33(1)(a), 33(1)(c), 34(3) and 48 of the SEBI LODR Regulations, 2015.

3.2. Noticee 2: Vivek Talwai (Promoter & CMD)

- I. Mr. Vivek Talwar, being CMD of the company did not perform his duties and obligations, which resulted in publication of misstated financial statements of Nitco for financial years from FY 2018-19 to FY 2021-22. Therefore, the compliance certificate issued by him in terms of Regulation 17(8) was found to be allegedly incorrect. In view thereof, Noticee 2 allegedly violated provisions of Regulations 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(7), and 17(8) of SEBI LODR Regulations, 2015 read with Regulation 4(1), 33(1)(a), 33(1)(c), 34(3) and 48 of SEBI LODR Regulations, 2015 and Section 27 of SEBI Act, 1992.

4. In this regard, pending Adjudication Proceedings initiated vide Show Cause Notice No. SEBI/EAD/BM/DS/11289/1/2024 dated March 20, 2024, the Noticees filed Settlement Applications, bearing Settlement Application Nos. 7808/ 2024 and 7809/ 2024 ('Settlement Applications') proposing to settle the instant proceedings initiated against them vide SCN dated March 20, 2024, without admitting or denying the findings of facts and conclusions of law, through a settlement order in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 ('Settlement Regulations' / 'SEBI Settlement Regulations').
5. In this regard, I note from the material available on record that Internal Committee ('IC') meetings were held on July 16, 2024, September 19, 2024 and November 07, 2024 and the same were attended by Authorized Representative of the Applicants (ARs) viz., Advocate Tomu Francis., Zarnaab Aswad & Apoorva Upadhyay. After due deliberations in its meeting held on September

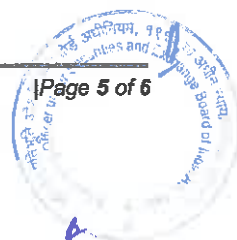


19, 2024, IC recommended ₹49,40,000 (Rs. Forty-Nine Lakh Forty Thousand only) as the Indicative amount for Nitco Limited and ₹68, 25,000 (Rs. Sixty-Eight Lakh Twenty-Five Thousand Only) as the Indicative amount for Mr. Vivek Talwar, being the amount computed in terms of Schedule II read with Regulation 10 of Settlement Regulations. The same was communicated to the ARs of the applicants. The ARs were informed to submit the Revised Settlement Terms ('RST') within 15 working days from the date of the IC meeting in terms of Regulation 13(2)(c) of Settlement Regulations.

6. Accordingly, vide email dated October 07, 2024, the Applicants submitted RST and the amount proposed by the Applicants were along the line of settlement terms recommended by the IC. Considering that the Applicants were agreeable to pay the settlement amount as communicated by the IC, the same was recommended to be placed before High Powered Advisory Committee (HPAC) for its consideration.
7. Pursuant to the IC meeting held on September 19, 2024, the subject matter was placed before the HPAC in its meeting held on October 28, 2024, pursuant to which, the Applicants had inter alia submitted that :
 - 7.1. Applicant 2 being vivek talwar confirmed that the proposed settlement amount of INR 68,25,000 shall be borne by Applicant 2 in his personal capacity and not by Applicant 1 being Nitco limited.
 - 7.2. Since they have made the required disclosures of 'related party transaction' in the annual report for FY 2024, the charge of non-disclosure in the SCN stands rectified. That such non-disclosure, which has now been rectified, can in no way suggest, let alone establish, that the Applicants or their related parties intended to unlawfully benefit from non-disclosure of such RPTs.
8. Thereafter, the Settlement Applications were again placed before the HPAC in its meeting held on December 24, 2024, which recommended that the matter

may be accepted for settlement upon payment of indicative amount of ₹49,40,000 (Rs. Forty-Nine Lakh Forty Thousand only) by Nitco Limited and ₹68, 25,000 (Rs. Sixty-Eight Lakh Twenty-Five Thousand Only) by Mr. Vivek Talwar.

9. In terms of Regulation 14(3) of the Settlement Regulations, the recommendations of the HPAC were placed before the panel of Whole Time Members ('WTMs'). The recommendations of the HPAC were accepted by the Panel of WTMs on February 05, 2025.
10. In this regard, the Notice of Demand were issued to the Applicants on February 06, 2025 of ₹49,40,000 and ₹68, 25,000 for Nitco Limited and Mr. Vivek Talwar respectively. The Applicants had remitted the said settlement amount on February 21, 2025. Copy of the report regarding confirmation of payment of settlement amount had been placed in file by concerned department of SEBI.
11. In view thereof, the instant Adjudication Proceedings initiated against the Noticees viz., Nitco Limited (Noticee 1) and Mr. Vivek Talwar (Noticee 2) vide SCN No. SEBI/EAD/BM/DS/11289/1/2024 dated March 20, 2024, are hereby disposed of in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.
12. The passing of this Settlement Order shall however be without prejudice to the rights of SEBI under Regulation 28 and 31 of the SEBI (Settlement Proceedings) Regulations, 2018, to initiate appropriate actions, including restoring or initiating the proceedings in respect of which this settlement order is passed against the Applicant, if:
 - 12.1. it comes to the notice of the Board that the Applicants have not made full and true disclosure;
 - 12.2. Applicants have violated the undertakings or waivers;
 - 12.3. there was any discrepancy while arriving at the settlement terms.
13. This Settlement Order shall come into force with immediate effect.



14. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, copy of this Order shall be sent to the Applicants and be published on website of SEBI.

DATE: FEBRUARY 28, 2025
PLACE: MUMBAI



AMAR NAVLANI
ADJUDICATING OFFICER