

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT ON UNAUDITED QUARTERLY FINANCIAL RESULTS OF NITCO LIMITED

TO THE BOARD OF DIRECTORS OF NITCO LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of NITCO Limited ("the Company") for the quarter and half year ended September 30, 2017 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditors of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis for Qualified Conclusions**
Attention is invited to Note (6) of the Statement regarding assignment of debt holding approximately 98% of total debt of the Company to JM Financial Assets Reconstruction Co Pvt Ltd. **The Company has not provided for interest on financing facilities amount to Rs. 6,414.76 lakhs for the quarter ended and Rs. 12,536.21 Lakhs for six months ended 30th September, 2017. Had the same been provided, the loss would have been increased by Rs. 6,414.76 lakhs for the quarter ended and Rs. 12,536.21 Lakhs for six months ended 30th September, 2017 and corresponding liabilities would have been increased by Rs. 12,536.21 Lakhs as at 30th September, 2017.**

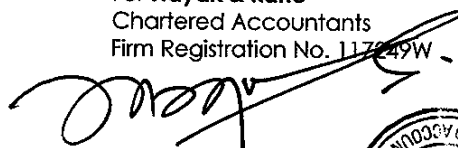


Nayak & Rane

CHARTERED ACCOUNTANTS

5. Without qualifying, attention is drawn as under:
- (a) Attention is invited to Note (6) & (7) of the Statement regarding the net worth of the Company which has been fully eroded. Financial Statements has been prepared on a going concern basis. The Company has incurred a net loss of Rs. 904.12 Lakhs during the quarter and Rs. 1,839.06 Lakhs for the half year ended 30th September 2017. The appropriateness of the going concern basis is inter alia dependent on the Company's ability to turnaround the operations of the Company and ability of infusing requisite funds for meeting its obligations and rescheduling of debts.
- (b) The dues to banks / lenders are subject to reconciliation.
6. Based on review conducted as stated above, except for the possible effects of the matter described in our basis for qualified conclusions paragraph referred to paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards and other recognized accounting practices and principles generally accepted in India, has not disclosed information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Nayak & Rane**
Chartered Accountants
Firm Registration No. 117249W



(Kishore K Rane)
Partner
M.No. 100788



Place: Mumbai
Date: November 8, 2017



PART I : STATEMENT OF UNAUDITED FINANCIAL RESULT FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(Rs. in Lakhs except earnings per share)

Particulars	Quarter Ended			Half Year ended		Year ended
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	
1	Income from Operation					
(a)	Revenue from operations	13,356.97	17,557.76	17,645.33	30,914.73	36,732.98
(b)	Other Income	4.81	30.38	44.68	35.19	56.14
	Total Income from operation (Net)	13,361.78	17,588.14	17,690.01	30,949.92	36,789.12
2	Expenses:					
(a)	Cost of materials consumed	2,998.51	4,869.35	4,198.27	7,867.86	8,681.13
(b)	Purchase of Stock in trade	5,313.99	6,365.38	7,192.35	11,679.37	16,175.18
(c)	Changes in inventories of finished goods, Stock in trade and work-in-progress	164.88	358.98	164.54	523.86	(523.03)
(d)	Excise Duty	-	699.14	668.72	699.14	1,418.87
(f)	Employee benefits expense	1,914.35	2,030.41	1,915.19	3,944.76	3,820.94
(g)	Finance cost	57.90	42.37	55.12	100.27	163.14
(h)	Depreciation and amortization expense	948.42	934.66	961.14	1,883.08	1,914.24
(i)	Other expenses	2,877.01	3,218.61	3,459.58	6,095.62	6,625.15
	Total Expenses	14,275.06	18,518.90	18,614.91	32,793.96	38,275.62
3	Profit / (Loss) before tax	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)
	Exceptional items	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)
4	Tax expense					
	Net Profit / (Loss) after tax	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)
5	Other Comprehensive Income					
	A. Items that will not be reclassified to profit or loss	(9.16)	4.18	(24.92)	(4.98)	(1.40)
	(i) Remeasurements of post-employment benefit obligations	(9.16)	4.18	(24.92)	(4.98)	(1.40)
	(ii) Tax relating to items that will not be reclassified to profit or loss	(9.16)	4.18	(24.92)	(4.98)	(1.40)
7	Total other comprehensive expense/ (income), net of income tax	(9.16)	4.18	(24.92)	(4.98)	(1.40)
8	Total Comprehensive Income	(904.12)	(934.94)	(899.98)	(1,839.06)	(1,485.10)
9	Paid-up equity share capital (Face Value Rs. 10 per share)	5,469.93	5,469.93	5,469.93	5,469.93	5,469.93
	Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised):					
(a)	Basic	(1.65)	(1.71)	(1.65)	(3.36)	(2.72)
(b)	Diluted	(1.65)	(1.71)	(1.65)	(3.36)	(2.72)

1. The above financial results were reviewed by the audit committee and thereafter taken on record by the Board of Directors at their Meeting held on 8th November 2017 and were duly reviewed by the Statutory auditors.

2. The Company has adopted Indian Accounting Standards (Ind AS) effective from 1st April 2017 and the above results have been prepared in accordance with Ind AS notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015. The date of transition is 1st April 2016 and the impact of transition has been accounted for in opening reserves and comparative period results have been restated accordingly. The reserves (excluding revaluation reserves) as per the balance sheet date of previous accounting year ended 31st March 2017, not being mandatory one, is not presented.

3. The Ind-AS compliant financial results for the quarter and half year ended 30th September 2016 and year ended 31st March 2017 had not been subjected to limited review or audit. The limited review for the quarter and half year ended 30th September 2016 was done under Indian GAAP. However, the management has exercised necessary due diligence to ensure that the comparison of the financial results provide true and fair view of its affairs.

4. The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind-AS given below:

Equity Reconciliation	Net Profit Reconciliation				Equity Reconciliation
	Quarter Ended	Half Year ended	Year ended	Year ended	
	30.09.2016 (Unaudited)	30.09.2016 (Unaudited)	31.03.2017 (Audited)	31.03.2017 (Audited)	
Net Loss / Equity as per previous GAAP	-899.98	-1,485.10	-3,232.36	-13,421.62	
Remeasurement cost of net defined benefit liability	-24.92	-1.40	15.99	15.99	
Net Loss as per IND AS	-924.90	-1,486.50	-3,216.37	-13,405.63	
Other Comprehensive Income (Net of Tax)	24.92	1.40	-15.99	-15.99	
Total Comprehensive Income/Equity as per IND AS	-899.98	-1,485.10	-3,232.36	-13,421.62	

(Rs. in Lakhs)

5. Power and fuel expenses are net as under:

Particulars	Quarter Ended			Half Year ended		
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
Sale of Power generated through Windmill	228.55	262.02	251.72	490.57	528.70	616.18

6. During the quarter ended 30th September 2017, Syndicate Bank has assigned their loan to JM Financial Asset Reconstruction Co Ltd ("JMFAARC"). As on date, sixteen lenders aggregating approximately 98% of overall debts of the Company had assigned their debts to JMFAARC. The net worth of the Company had been fully eroded. The Company is pursuing with JMFAARC for a viable restructuring package. In view of the uncertainty involved in ultimate outflow of interest, the Company has not provided for unpaid interest. Had the interest as per Loan Agreements been provided for, then the finance cost, loss for the relevant period and corresponding loan liability would have been increased by the following amount:

(Rs. in Lakhs)

Particulars	Quarter Ended			Half Year ended		
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
Interest not provided	6,414.76	6,121.45	5,597.86	12,536.21	10,929.34	22,632.61

7. The sale of tiles and marble during the quarter has dropped due to implementation of GST from 1st July 2017 and slowdown in real estate execution due to NERA implementation. Despite several constraints faced by the Company including absence of working capital facilities, the Company achieved positive EBITDA of Rs. 139.31 lakhs during the first six months FY 2017. Considering the brand equity enjoyed by the Company, non-core assets identified for sale, and several steps taken by the Company, the management is hopeful of a turnaround in future. The management therefore believes, it is appropriate to prepare the financial statement on a going concern basis.



8. Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax(VAT) have been subsumed into GST. In accordance with the Indian Accounting Standard -18 on Revenue and Schedule III of The Companies Act 2013, unlike Excise Duty, levies of GST, VAT etc are not the part of Revenue. Accordingly, the figures for period upto June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

Particulars	Quarter Ended			Half Year ended		Year ended	
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	31.03.2017 (Audited)	31.03.2017 (Audited)
Revenue from operations	13,356.97	17,557.76	17,645.33	30,914.73	36,732.98	72,279.56	6,635.48
Less: Excise Duty	-	1,532.31	1,585.28	1,532.31	3,392.45	6,635.48	6,635.48
Revenue from operation excluding excise duty on sales	13,356.97	16,025.45	16,060.05	29,382.42	33,340.53	65,644.08	65,644.08

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

PART II - SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended				Half Year ended		Year ended	
		30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2016 (Unaudited)	31.03.2017 (Audited)	31.03.2017 (Audited)
1	Segment Revenue	13,344.26	15,847.40	17,567.12	29,205.49	36,589.32	72,025.08	72,025.08	
	- Tiles and other related products	12.71	1,710.36	78.21	1,744.43	143.66	254.48	254.48	
	- Real estate	13,356.97	17,557.76	17,645.33	30,949.92	36,732.98	72,279.56	72,279.56	
2	Segment results	(844.19)	(1,044.26)	(922.61)	(1,900.72)	(1,407.47)	(3,124.54)	(3,124.54)	
	- Tiles and other related products	(11.19)	155.87	52.83	156.95	84.11	166.36	166.36	
	- Real estate	(855.38)	(888.39)	(869.78)	(1,743.77)	(1,323.36)	(2,958.18)	(2,958.18)	
	Total Segment Profit Before Finance Cost and Tax	57.90	42.37	55.12	100.27	163.14	258.19	258.19	
	Finance cost	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)	(3,216.37)	(3,216.37)	
	Profit Before Tax	(916.16)	4.18	(869.78)	(1,743.50)	(1,323.22)	(2,958.18)	(2,958.18)	
	Other Comprehensive Income	(904.12)	(934.94)	(899.98)	(1,839.06)	(1,485.10)	(3,232.36)	(3,232.36)	
	Total Comprehensive Income for the period/year	74,364.05	33,960.44	78,457.84	74,364.05	78,457.84	76,296.19	76,296.19	
3	Capital Employed	34,113.41	33,960.44	35,449.33	34,113.41	35,449.33	35,443.33	35,443.33	
	(Segment assets - Segment liabilities)	6,464.71	5,630.25	6,413.24	6,464.71	6,413.24	6,397.04	6,397.04	
	- Tiles and other related products	114,942.17	115,342.66	120,320.41	114,942.17	120,320.41	118,136.69	118,136.69	
	- Unallocated/ Corporate								
	Total Capital Employed								



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PART III – DISCLOSURE OF STANDALONE ASSETS AND LIABILITIES FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017.

(Rs. in Lakhs)

	Particulars	As at 30.09.2017 (Unaudited)	As at 31.03.2017 (Audited)
A	Assets		
1	Non-current assets		
	(a) Property, plant & equipment	51,721.81	53,388.74
	(b) Capital work-in-progress	236.48	195.38
	(c) Intangible assets	28.17	41.80
	(d) Financial assets		
	Investment in subsidiaries	2,735.36	2,735.36
	Loans	17,204.06	17,195.52
	Other Financial assets	2,349.23	2,315.99
	(f) Income tax assets (Net)	1,729.38	1,680.45
	(g) Other non-current assets	1,585.27	1,589.42
	Sub-total - Non-current assets	77,589.76	79,142.66
2	Current assets		
	(a) Inventories	16,856.67	17,565.44
	(b) Inventories Real Estate	16,453.77	17,972.77
	(c) Financial assets		
	Trade receivables	16,191.93	14,005.31
	Cash and cash equivalents	918.05	1,571.05
	Other Financial assets	3,356.62	3,339.48
	(d) Other current assets	3,351.11	3,473.37
	Sub-total - Current assets	57,128.15	57,927.42
	Total - Assets	134,717.91	137,070.08
B	Equity and liabilities		
1	Equity		
	(a) Equity Share capital	5,469.93	5,469.93
	(b) Other equity	(20,730.61)	(18,891.55)
	Sub-total-Equity	(15,260.68)	(13,421.62)
2	Non-current liabilities		
	(a) Financial liabilities		
	Borrowings	38,081.97	45,702.23
	(b) Provisions	182.67	182.67
	(c) Deferred tax liabilities (Net)	2,034.84	2,034.84
	(d) Other non-current liabilities	2.71	1.12
	Sub-total-Non-current liabilities	40,302.19	47,920.86
3	Current liabilities		
	(a) Financial liabilities		
	Short-term borrowings	11,019.27	11,357.41
	Trade payables	15,403.86	15,741.57
	Other financial liabilities	79,701.90	73,468.31
	(b) Other current liabilities	3,320.67	1,825.64
	(c) Provisions	230.70	177.91
	Sub-total-Current liabilities	109,676.40	102,570.84
	Total-Equity and liabilities	134,717.91	137,070.08

Place : Mumbai
Date: 8th November 2017


Vivek Talwar
Chairman & Managing Director



NITCO LIMITED
 Registered office: Plot No.3, Nitco House, Kanjur Village Road, Kanjurmarg (East), Mumbai - 400042.
 Tel No.: 022 67521555, Fax: 022 67521500, email: investor grievances@nitco.in, Website: www.nitco.in

CIN : L26920MH1966PLC016547

EXTRACT OF STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULT FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(Rs. in Lakhs except earnings per share)

Particulars	Quarter Ended			Half Year ended		Year ended
	30.09.2017 (Unaudited)	30.06.2017 (Unaudited)	30.09.2016 (Unaudited)	30.09.2017 (Unaudited)	30.09.2016 (Unaudited)	
Total Income from operation (Net)	13,361.78	17,588.14	17,690.01	30,949.92	36,789.12	72,413.24
Profit / (Loss) from ordinary activities before tax	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)	(3,216.57)
Net Profit / (Loss) after tax	(913.28)	(930.76)	(924.90)	(1,844.04)	(1,486.50)	(3,216.57)
Total other comprehensive expense/ (income), net of income tax	(9.16)	4.18	(24.92)	(4.98)	(1.40)	15.99
Total Comprehensive Income	(904.12)	(934.94)	(899.98)	(1,839.06)	(1,485.10)	(3,232.36)
Paid-up equity share capital (Face Value Rs. 10 per share	5,469.93	5,469.93	5,469.93	5,469.93	5,469.93	5,469.93
Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised):						
Basic	(1.65)	(1.71)	(1.65)	(3.36)	(2.72)	(5.91)
Diluted	(1.65)	(1.71)	(1.65)	(3.36)	(2.72)	(5.91)

Note: 1. The above financial results were reviewed by the audit committee and thereafter taken on record by the Board of Directors at their Meeting held on 8th November 2017 and were duly reviewed by the Statutory auditors.

2. The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites. (www.bseindia.com and www.nseindia.com) and on Company's website (www.nitco.in).

Place : Mumbai
 Date : 8th November 2017

Vivek Jalwar
 Chairman & Managing Director