

# NITIN FIRE PROTECTION INDUSTRIES LIMITED

Regd. Office : 801 & 802, C-wing , Neelkanth Business Park, Kiro Road, Vidyavihar (West), Mumbai - 400 086. India.

**नितिन फायर प्रोटेक्शन इंडस्ट्रीज लिमिटेड**

CIN No. : L29193MH1995PLC092323

Website : www.nitinfire.com : Email: nitinfire@vsnl.com

Statement of Un-audited Results for the Quarter / Half year ended September 30, 2017

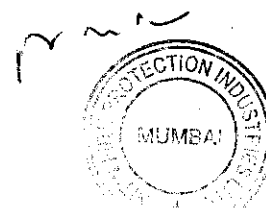


₹ in Lakhs, except per share data

Particulars	Quarter ended			Half Year Ended	
	Un-audited			30-Sep-2017	30-Sep-2016
	30-Sep-2017	30-Jun-2017	30-Sep-2016		
<b>Income</b>					
Revenue from operations	572.97	1,071.11	29,928.92	1,644.08	37,860.80
Other Income	323.47	100.78	151.06	424.25	344.64
<b>Total Income</b>	<b>896.44</b>	<b>1,171.89</b>	<b>30,079.98</b>	<b>2,068.33</b>	<b>38,205.44</b>
<b>Expenses</b>					
Cost of materials consumed	420.98	511.66	30.40	932.63	282.10
Purchases of stock-in-trade	26.33	142.55	28,360.36	168.88	33,017.49
Changes in inventories of stock-in-trade	-	-	(1,183.92)	-	942.91
Excise duty	-	3.62	-	3.62	-
Employee benefits expense	215.89	215.87	202.85	431.76	407.23
Finance costs	1,172.35	1,121.49	1,193.51	2,293.84	2,268.38
Depreciation and amortization expenses	101.31	101.00	106.92	202.31	282.01
Other expenses (Refer note 9)	608.45	2,496.02	244.63	3,104.46	3,019.08
<b>Total Expenses</b>	<b>2,545.31</b>	<b>4,592.21</b>	<b>28,954.75</b>	<b>7,137.50</b>	<b>40,219.20</b>
<b>(Loss) / Profit before tax</b>	<b>(1,648.87)</b>	<b>(3,420.32)</b>	<b>1,125.23</b>	<b>(5,069.17)</b>	<b>(2,013.76)</b>
<b>Income tax expense</b>					
Current tax	-	-	175.00	-	175.00
Deferred tax	-	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>175.00</b>	<b>-</b>	<b>175.00</b>
<b>Loss after tax</b>	<b>(1,648.87)</b>	<b>(3,420.32)</b>	<b>950.23</b>	<b>(5,069.17)</b>	<b>(2,188.76)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
- Other comprehensive income / (expense) (net of tax)	4.90	4.90	(4.38)	9.80	(8.76)
<b>Total comprehensive (loss) / income for the period (after tax)</b>	<b>(1,643.97)</b>	<b>(3,415.42)</b>	<b>945.85</b>	<b>(5,059.37)</b>	<b>(2,197.52)</b>
<b>Paid-up equity share capital (face value of share ₹ 2/- each)</b>	<b>5,845.39</b>	<b>5,845.39</b>	<b>5,845.39</b>	<b>5,845.39</b>	<b>5,845.39</b>
<b>Earning Per Share (of ₹ 2/- each) (not annualised):</b>					
Basic earnings per share	(0.56)	(1.17)	0.33	(1.73)	(0.75)
Diluted earnings per share	(0.56)	(1.17)	0.33	(1.73)	(0.75)

## Notes to the financial results

- The above results have been taken on record at a meeting by the Audit Committee and Board of Directors of the Company on December 12, 2017.
- The IND AS compliant unaudited financial results as above pertaining to corresponding quarter/ half year of the previous period ended September 30, 2016 have not been subjected to limited review or audit. The Management has exercised necessary due diligence to ensure that the said unaudited financial results provide true and fair view of affairs. The Statement does not include IND AS compliant for the preceeding year ended March 31, 2017 as the same is not mandatory as per SEBI's Circular dated July 05, 2016.
- The Company adopted Indian Accounting Standards ("IND AS") and accordingly the financial results of all periods presented have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to IND AS is April 1, 2016. There is possibility that these quarterly financial results may require adjustments before constituting the final IND AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirement arising from new or revised standards or interpretations issued by Ministry of Corporate affairs to changes in the use of one or more optional exemptions from full restropestive applicattion of certain IND AS as permitted under IND AS 101.
- In line with the provisions of IND AS 108 Operating segments and basis the review of operations being done by the Senior Management, the operations of the Company fall under fire protection/detection equipments and allied activities, which is considered to be the only reportable segment by the Management.



- 5 Consequent to dilution of equity stake in Worthington Nitin Cylinders Private Limited (WNCPL) in December 2010, the Company has taken over the outstanding claim of a derivative contract amounting to ₹ 501.33 lakhs (excluding interest). On referring the matter to a legal counsel, it has opined that the said contract is not valid as per Reserve Bank of India regulations and hence, no liability is expected on the Company. The Company has filed a petition in the Honorable High Court of Bombay challenging the legality of the contract. The petition is pending for disposal. Further, the Company has not determined the quantum of mark to market losses as of the Balance Sheet date. Pending decision, no provision is made in the books of account.
- 6 With regard to the Company's investment in Equity Shares of Worthington Nitin Cylinders Private Limited (WNCPL) carried at a cost of ₹ 4,195.04 lakhs, as at September 30, 2017, the Management is in discussion with the majority shareholders of WNCPL and on the way forward, expect to recover the carrying amount and thus believes that there is no diminution other than temporary in the value of the investment as at September 30, 2017.
- 7 The Company is carrying an amount of ₹ 2,263.73 lakhs which is its share of costs incurred in an oil block exploration operated by Gas Authority of India Limited (GAIL). The Company and GAIL are engaged in arbitration proceedings for non compliance of certain terms of Joint Operating Agreement as entered into. Based on its own assessment which is also backed by legal advice, the Company believes that it will be able to recover its entire investment amount of ₹ 2,263.73 lakhs. Thus, there is no impairment considered necessary by the Management to the carrying value of this asset carried as 'Claims Receivable' under other non current assets.
- 8 Trade receivables for the period ended September 30, 2017 includes ₹ 17,724.87 lakhs against exports made in earlier years, payments for which are not forthcoming. The Company's Management is making all efforts to recover the same and is confident of recovery. Hence, no specific provision is considered necessary.
- 9 Other expenses for the period ended September 30, 2017 includes ₹ 2,612.54 lakhs (₹ 2,436.15 lakhs for the corresponding period) towards impairment of trade receivables using lifetime expected credit loss method ("ECL Method")
- 10 On the consideration of prudence and in the absence of virtual certainty of sufficient future taxable income, deferred tax asset is recognised only up to deferred tax liability by the Management.
- 11 Reconciliation of net profit / (loss) after tax as reported under previous Indian GAAP and Ind AS for the quarter / half year ended September 30, 2016 :

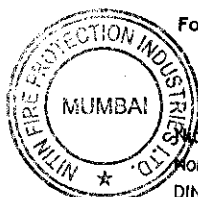
Particulars	Quarter Ended 30-Sep-2016 Unaudited	Half Year Ended 30-Sep-2016 Unaudited
Net profit as per Indian GAAP		
Ind AS adjustments:	846.53	260.93
On account of Corporate guarantee commission		
On account of fair valuation of Investments	1.50	3.00
On account of impairment of trade receivables using lifetime ECL method	0.82	0.46
On account of expenses recognised in other comprehensive income	94.17	(2,436.15)
On account of reversal of deferred tax assets (Refer note 10)	4.38	8.76
Other items	0.95	(29.49)
Profit / (Loss) after tax	1.88	3.73
On account of expenses recognised in other comprehensive income	950.23	(2,188.76)
Total comprehensive income / (loss) for the quarter as per Ind AS	(4.38)	(8.76)
	945.85	(2,197.52)

- 12 According to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the quarter ended September 30, 2016 was reported inclusive of excise duty. Goods and Service Tax ("GST") has been implemented w.e.f July 01, 2017 which replace excise duty and other input taxes. As per IND AS 18, the revenue for the quarter ended September 30, 2017 is reported net of GST. The revenue from operation (net of GST /Excise duty ) as applicable are stated below :-

Particulars	Quarter Ended			Half Year Ended	
	30-Sep-2017	30-Jun-2017	30-Sep-2016	30-Sep-2017	30-Sep-2016
Revenue from operations	572.97	1,071.11	29,928.92	1,644.08	37,860.80
Less : Excise Duty	-	3.62	-	3.62	-
Net Revenue from Operations	572.97	1,067.49	29,928.92	1,640.46	37,860.80

- 13 The net worth of the Company has been fully eroded as on September 30, 2017 on account of accumulated losses. Based on future business plans, the Management is confident that the Company will be able to generate profit in future periods and meet its financial obligations as they arise and hence, the Financial Results have been prepared on going concern basis.
- 14 The figures have been regrouped, rearranged, reclassified or reworked as necessary to confirm to the current year accounting treatment.

Place: Mumbai  
Date: December 12, 2017



For Nitin Fire Protection Industries Limited

Manoj M. Shah  
Non Executive Director  
DIN : 00073232

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**नितिन फायर प्रोटेक्शन इंडस्ट्रीज लिमिटेड**

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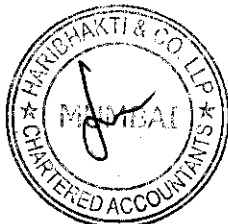
Balance sheet as at September 30, 2017



Particulars	As at September 30, 2017 Unaudited (₹ in lakhs)
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	3,303.32
Other Intangible assets	0.19
Investment in subsidiaries and associates	5,360.75
<b>Financial assets</b>	
Other Financial assets	380.79
Income Tax assets (net)	97.74
Other non-current assets	2,297.82
	11,440.60
<b>Current assets</b>	
Inventories	8,617.11
<b>Financial assets</b>	
(i) Trade receivables	22,844.18
(ii) Cash and Cash equivalents	124.07
(iii) Bank Balance other than (ii) above	135.01
(iv) Loans	6,392.12
(v) Other Financial assets	24.88
Other current assets	893.86
	39,031.23
<b>Total</b>	<b>50,471.83</b>
<b>Equity and liabilities</b>	
<b>Equity</b>	
(i) Equity Share capital	5,845.39
(ii) Other Equity	(7,913.71)
<b>Equity attributable to owners of the company</b>	<b>(2,068.32)</b>
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	2,638.26
Long-term provisions	60.62
	2,698.89
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
(i) Borrowings	37,897.11
(ii) Trade payables	9,652.93
(iii) Other Financial liabilities	2,032.94
Other current liabilities	124.69
Other Provisions	133.59
	49,841.26
<b>Total</b>	<b>50,471.83</b>

For Nitin Fire Protection Industries Limited

Place: Mumbai  
Date: December 12, 2017



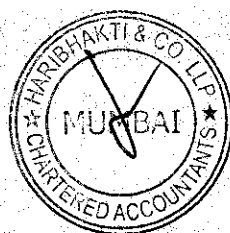
Nitin M. Shah  
 Non Executive Director  
 DIN : 00073232

**Limited Review Report on the Unaudited Financial Results for the quarter ended September 30, 2017 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

**To the Board of Directors**

**Nitin Fire Protection Industries Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Nitin Fire Protection Industries Limited** ("the Company") for the quarter ended September 30, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/ 62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

3.

- (a) As more clarified in Note No. 5 to the Notes to the Statement, no provision has been made by the Company towards claim made by the bank for Rs. 501.33 lakhs on a derivative contract disputed by the Company and which was entered into by its erstwhile subsidiary, the liability for which has been taken over by the Company. The Company has not determined the quantum of mark to market losses as at September 30, 2017 on the above contract and has relied on a legal opinion in the matter wherein no liability is expected. Pending the final settlement of the matter, we are unable to comment on the extent of provision required, if any, in this regard.
- (b) As more clarified in Note No. 6 to the Notes to the Statement, the Company has an exposure in Worthington Nitin Cylinders Private Limited (WNCPL) aggregating Rs. 4,195.04 lakhs as at September 30, 2017. In the absence of the fair value of the investment as required under Ind AS 28 'Investments in Associates and Joint Ventures' and audited financial statements of WNCPL for the period subsequent to March 31, 2016, we are unable to comment on the diminution, if any, in the carrying amount of the investment as at September 30, 2017.
- (c) As more clarified in Note No. 7 to the Notes to the Statement, describing the reasons for not recognising impairment in the carrying value of claims receivables shown under other non-current assets representing the Company's share of costs in an un-incorporated Joint Venture for Oil Block exploration aggregating Rs. 2,263.73 lakhs as at September 30, 2017. As stated in the Note, the Company and GAIL are engaged in arbitration proceedings in Delhi International Arbitration Centre. Pending the final outcome of such arbitration proceedings, we are unable to comment on the extent of impairment required, if any, on the carrying amount of claims receivables as at September 30, 2017.
- (d) As more clarified in Note No. 8 to the Notes to the Statement, regarding export trade receivables amounting to Rs. 17,724.87 lakhs which are outstanding for a long period of time, payments for which are not forthcoming and the Management has not yet assessed



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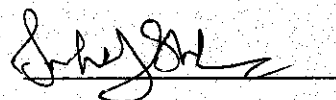
estimated credit loss or loss allowance in this regard . We, in the circumstances are unable to comment on the recoverability of the same and consequential write off, if any.

4. Based on our review conducted as above and subject to the possible effects of the matters described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note No. 13 to the Notes to the Statement. For the reasons more specifically stated therein, the financial statements have been prepared on going concern basis although the net worth of the Company has fully eroded as on September 30, 2017 on account of accumulated losses. Our opinion is not modified in respect of this matter.
6. As stated in Note 2 to the Statement, figures pertaining to the quarter and half year ended September 30, 2016, have not been subject to limited review.

For Haribhakti & Co. LLP

Chartered Accountants

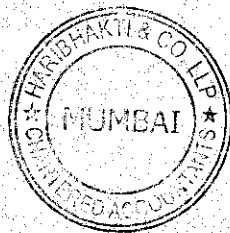
ICAI Firm Registration No.103523W/W100048



Snehal Shah

Partner

Membership No.: 048539



Mumbai

December 12, 2017