

# Walker, Chandio & Co

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## Limited Review Report

**The Board of Directors**  
**ITD Cementation India Limited**  
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158, Vidyanagri Marg  
Santacruz (E)  
Mumbai – 400 098  
India

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of **ITD Cementation India Limited** (the 'Company'), its subsidiaries and joint ventures (collectively referred to as the 'Group') for the quarter ended June 30, 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report, we draw attention to
  - i. As described in Notes 4 & 5 to the Statement, receivables as at June 30, 2012 includes Rs. 1,449 lakhs relating to price escalation and variation claims which are disputed by the customer. These claims are in various stages of litigation and the realisability of these amounts is dependent upon these matters being finally resolved in favour of the Company.



Chartered Accountants

Offices in Bangalore, Chennai, Gurgaon, Hyderabad, Mumbai, New Delhi and Pune

# Walker, Chandio & Co

- ii. As described in Note 6 to the Statement, receivables and unbilled work-in-progress as at June 30, 2012 includes Rs.616 lakhs & Rs.2,757 lakhs respectively, in respect of a contract which has been rescinded by the Company and unbilled work in progress as at June 30, 2012 includes Rs.5,929 lakhs in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company had also issued bank guarantees aggregating Rs. 2,227 lakhs. The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal advice received, management is reasonably confident of recovery of these amounts of work in progress. The recovery of these amounts is dependent upon these matters ultimately being resolved in favour of the Company.
4. i. As described in Note 3(a) to the Statement, receivables as at June 30, 2012 include variation claims of Rs. 3,278 lakhs which are disputed by the customer. Out of this, claims amounting to Rs. 2,346 lakhs are a subject matter of arbitration. The Company has received arbitration awards in its favour in respect of the balance amount of Rs. 932 lakhs which have since been challenged by the customer.
- ii. As described in Note 3(b) to the Statement, receivables as at June 30, 2012 includes Rs. 3,384 lakhs representing interim work bills for work done which have not been certified by customers beyond normal periods of certification.
- Audit report on the financial statements for the year ended December 31, 2011 was also qualified in respect of this above matters by the erstwhile auditors.
5. In our view there is an uncertainty in respect of realisability of the claims and receivables described in paragraph 4 above. Accordingly, pending the ultimate outcome of these disputes, arbitration and related matters and certification, we are unable to comment on the adjustments, if any, that may be necessary to Total income, receivables, the profit before tax, reserves and earnings per share reported in the Statement for the quarter ended June 30, 2012.
6. Based on our review conducted as above and consideration of reports of other auditors, except for the matters referred to in paragraphs 4 and 5 above, the outcome of which is presently not ascertainable, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

*Walker, Chandio & Co*

For Walker, Chandio & Co  
Chartered Accountants  
Firm Registration No: 001076N

*Amy Jassani*  
per Amy Jassani  
Partner

Membership No. F 46447  
Place: Mumbai  
Date: August 9, 2012



**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2012**

**PART I**

		(Rupees in Lakhs)				
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous year ended
	30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from Operations						
a) Net Sales / Income from Operations	40,289.22	50,361.27	42,630.31	90,650.49	88,823.39	171,218.57
b) Other Operating Income	-	-	-	-	-	-
Total Income from Operations	40,289.22	50,361.27	42,630.31	90,650.49	88,823.39	171,218.57
2 Expenses						
a) Cost of materials consumed	15,533.09	19,789.56	15,257.04	35,322.65	31,336.55	59,379.41
b) Employee benefits expense	4,686.19	4,668.92	4,244.61	9,355.11	8,359.38	17,365.30
c) Sub-contracts charges	6,996.93	8,522.82	7,436.86	15,519.75	16,856.46	32,483.46
d) Depreciation and amortisation expense	1,135.76	1,129.51	1,033.28	2,265.27	1,930.51	4,203.61
e) Other expenses	8,703.05	11,719.03	11,215.32	20,422.08	24,232.10	45,339.03
Total expenses	37,055.02	45,829.84	39,187.11	82,884.86	82,715.00	158,770.81
3 Profit from Operations before other Income, finance costs and Exceptional Items (1-2)	3,234.20	4,531.43	3,443.20	7,765.63	6,108.39	12,447.76
4 Other Income	555.29	166.25	158.23	721.54	632.86	965.20
5 Profit from ordinary activities before finance costs and Exceptional Items (3+4)	3,789.49	4,697.68	3,601.43	8,487.17	6,741.25	13,412.96
6 Finance costs	2,694.05	3,090.90	2,538.41	5,784.95	4,926.88	10,595.96
7 Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	1,095.44	1,606.78	1,063.02	2,702.22	1,814.37	2,817.00
8 Exceptional Items	-	-	-	-	-	-
9 Profit from Ordinary Activities before Tax (7+8)	1,095.44	1,606.78	1,063.02	2,702.22	1,814.37	2,817.00
10 Tax Expense (Refer note 7)	455.16	411.22	598.38	866.38	956.37	559.47
11 Net Profit from Ordinary Activities after Tax (9-10)	640.28	1,195.56	464.64	1,835.84	858.00	2,257.53
12 Extraordinary Items	-	-	-	-	-	-
13 Net Profit for the period (11-12)	640.28	1,195.56	464.64	1,835.84	858.00	2,257.53
14 Share of profit / (loss) of associates	-	-	-	-	-	-
15 Minority interest	-	-	-	-	-	-
16 Net Profit after taxes, minority interest and share of profit / (loss) of associates (13+14-15)	640.28	1,195.56	464.64	1,835.84	858.00	2,257.53
17 Paid-up equity share capital (Face Value: Rs. 10/- per share)	1,151.58	1,151.58	1,151.58	1,151.58	1,151.58	1,151.58
18 Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	36,965.35
19. i Earnings per share (before extraordinary items)(Face Value: Rs. 10/- per share) (not annualised)	-	-	-	-	-	-
a) Basic	5.56	10.38	4.03	15.94	7.45	19.60
b) Diluted	5.56	10.38	4.03	15.94	7.45	19.60
19. ii Earnings per share (after extraordinary items)(Face Value: Rs. 10/- per share) (not annualised)	-	-	-	-	-	-
a) Basic	5.56	10.38	4.03	15.94	7.45	19.60
b) Diluted	5.56	10.38	4.03	15.94	7.45	19.60
See accompanying note to the financial results						

**PART II**

<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
Number of Shares	3,504,472	3,504,472	3,504,472	3,504,472	3,504,472	3,504,472
Percentage of Shareholding	30.43%	30.43%	30.43%	30.43%	30.43%	30.43%
2 Promoters and promoter group Shareholding						
a) Pledged/Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
b) Non-encumbered						
- Number of shares	8,011,318	8,011,318	8,011,318	8,011,318	8,011,318	8,011,318
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	69.57%	69.57%	69.57%	69.57%	69.57%	69.57%
<b>B INVESTOR COMPLAINTS</b>		3 months ended 30-6-2012				
Pending at the beginning of the quarter		NIL				
Received during the quarter		13				
Disposed of during the quarter		13				
Remaining unresolved at the end of the quarter		NIL				



**Notes:**

- 1) The above statement of unaudited consolidated results was reviewed by the Audit Committee at its Meeting held on August 9, 2012 and on recommendation of Audit Committee has been approved by the Board of Directors of the Company at its meeting held on August 9, 2012.
  - 2) The Company operates in one segment viz. Construction.
  - 3) In respect of qualifications (*italics*) in the auditors report, it is clarified that:
    - a) Trade receivables as at June 30, 2012 include variation claims of Rs. 3,278 lakhs recognised upto June 30, 2012, which are disputed by the customer. Out of this, claims amounting to Rs. 2,346 lakhs are a subject matter of arbitration. The Company has received arbitration award in its favour in respect of the balance amount of Rs. 932 lakhs which have since been challenged by the customer. Considering the legal advice from Company's counsel in the matter, the management is reasonably confident of recovery of the amounts awarded.
    - b) Trade receivables as at June 30, 2012 include Rs. 3,384 lakhs representing interim work bills for work done which have not been certified by customers beyond normal periods of certification. The management is reasonably confident of the certification and recovery of the same progressively on these contracts based on past experience of the Company, assessment of work done and the fact that these amounts are not disputed by the customer.

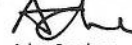
The matters listed in 3 (a) and 3 (b) above were also the subject matter of audit qualifications in the Audited Accounts of the previous accounting year ended December 31, 2011.
  - 4) Trade receivables as at June 30, 2012 include Rs. 1,140 lakhs relating to price escalation claims which are disputed by the customer. The Company has received favourable verdicts from the Dispute Redressal Board and also thereafter in Arbitration in respect of these claims. The Customer has appealed against the Arbitration Award. Management is reasonably confident of recovery of these amounts based on the above and independent legal advice from eminent counsel in the matter.
  - 5) Trade receivables as at June 30, 2012 include Rs. 309 lakhs for which the Company had received an arbitration award in its favour which has subsequently been upheld by the District Court. The customer has challenged this Court Order. However, based on the above arbitration award and Court Order, management is reasonably confident of recovery of these amounts.
  - 6) Trade receivables and Unbilled Work-in-progress as at June 30, 2012 includes Rs. 616 lakhs and Rs. 2,757 lakhs respectively, in respect of a contract which has been rescinded by the Company and Unbilled work-in-progress as at June 30, 2012 includes Rs. 5,929 lakhs in respect of another contract where the Company has received a notice from the customer withdrawing from the Company the balance works to be executed under the contract for which the Company has also issued guarantees aggregating Rs. 2,227 lakhs. The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal advice received, the management is reasonably confident of recovery of these amounts of work in progress and consequently no changes have been made to the values and classification of these amounts in the financial statements.
  - 7) Tax expense for the year ended December 31, 2011 is stated net of credit relating to earlier years Rs. 0.92 lakhs.
  - 8) The Company has changed the basis of measurement of percentage of completion from 'physical proportion of the contract work' to 'proportion of contract costs incurred for the work performed to date to the estimated total contract costs'. Consequent to the change in method, turnover and profit before tax for the three months ended June 30, 2012 is higher by Rs. 118 lakhs and lower by Rs. 47 lakhs, respectively. The turnover and profit before tax for the year to date upto June 30, 2012 is lower by Rs. 1,016 lakhs and Rs. 186 lakhs, respectively.
- Further in respect of existing contracts, the Company has adopted a policy of recording trade receivables only to the extent these are certified by the customer. Consequent to this change, uncertified receivables as of December 31, 2011 amounting to Rs. 25,391 lakhs have been reclassified from trade receivables to unbilled work in progress with respect to running contracts.
- 9) The unaudited standalone results of the Company for the quarter ended June 30, 2012 are available on the Company's website ([www.itdcm.co.in](http://www.itdcm.co.in)) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
  - 10) The figures for the previous periods have been regrouped wherever necessary to conform to the current period's presentation.

11) Standalone results

(Rupees in Lakhs)

	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous year ended
	30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	31.12.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
a) Net Sales / Income from Operations	33,209.18	38,399.64	33,455.00	71,608.82	67,882.82	129,744.76
b) Profit before tax	1,193.54	1,569.46	675.43	2,763.00	1,249.80	2,202.66
c) Net Profit after tax	640.54	1,195.46	464.68	1,836.00	858.05	2,257.58

By Order of the Board

  
Adun Saraban  
Managing Director

Place : Mumbai  
Dated : August 9, 2012





# CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

( Rupees in Lakhs )

Particulars	As at (current half year end) 30.06.2012	As at (previous year end) 31.12.2011
	Unaudited	Audited
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1,151.58	1,151.58
(b) Reserves and surplus	38,801.19	36,965.35
<b>Sub-total-Shareholders' funds</b>	<b>39,952.77</b>	<b>38,116.93</b>
<b>2 Minority interest</b>	-	-
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	641.45	5,793.64
(b) Long-term provisions	488.01	435.82
<b>Sub-total- Non-current liabilities</b>	<b>1,129.46</b>	<b>6,229.46</b>
<b>5 Current liabilities</b>		
(a) Short-term borrowings	64,498.26	58,450.89
(b) Trade payables	29,923.78	32,656.66
(c) Other current liabilities	37,411.09	33,337.02
(d) Short-term provisions	587.55	725.53
<b>Sub-total- Current liabilities</b>	<b>132,420.68</b>	<b>125,170.10</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>173,502.91</b>	<b>169,516.49</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	24,537.06	25,241.03
(b) Non-current investments	0.26	0.26
(c) Deferred tax assets (net)	1,556.50	1,263.59
(d) Long-term loans and advances	13,608.06	11,197.24
(e) Other non-current assets	0.64	0.64
<b>Sub-total- Non-current assets</b>	<b>39,702.52</b>	<b>37,702.76</b>
<b>2 Current assets</b>		
(a) Inventories	83,843.08	84,533.14
(b) Trade receivables	36,870.87	34,117.58
(c) Cash and bank balances	3,586.60	3,812.65
(d) Short-term loans and advances	9,499.84	9,350.36
<b>Sub-total- Current assets</b>	<b>133,800.39</b>	<b>131,813.73</b>
<b>TOTAL - ASSETS</b>	<b>173,502.91</b>	<b>169,516.49</b>

