

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
16th Floor, Tower II  
Indiabulls Finance Centre  
S B Marg, Elphinstone (W)  
Mumbai 400013  
India

T +91 22 6626 2600  
F +91 22 6626 2601

## Review Report

### To the Board of Directors of ITD Cementation India Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of ITD Cementation India Limited ("the Company"), its subsidiary and joint ventures (collectively referred to as "the Group") for the quarter ended 30 September 2015 and the year to date results for the period 1 January 2015 to 30 September 2015, 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 report on the 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. As stated in Note 3 to the Statement, the Company's trade receivables and unbilled work in progress as at 30 September 2015 include amounts aggregating ₹ 2,173 lakhs (31 December 2014: ₹ 2,655 lakhs and quarter ended 30 June 2015: ₹ 2,388 lakhs) and ₹ 1,104 lakhs (31 December 2014: ₹ 1,584 lakhs and quarter ended 30 June 2015: ₹ 1,134 lakhs) respectively, being considered as good and recoverable by the management. These amounts are presently under negotiation with the customers. In the absence of external balance confirmations from the customers or other alternative audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these receivables, we are unable to comment on the extent to which these balances are recoverable and consequential impact, if any, on the accompanying statements. Our audit opinion on the financial statements for the year ended 31 December 2014 and our limited review report on the Statement for the quarter ended 30 June 2015 were also qualified in respect of this matter.



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4. Based on our review conducted as above, except for the possible effects of qualifications as described in the previous paragraph, 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 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 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.
5. We draw attention to Note 4 to the Statement which describes the uncertainty related to recoverability of long-term trade receivables and unbilled work in progress aggregating to ₹ 2,863 lakhs and ₹ 8,678 lakhs respectively, outstanding as at 30 September 2015, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. These claims being technical in nature and being subject matter of litigation, the Company has assessed the recoverability of these claims based on legal opinion from an independent counsel. On the basis of such assessment, management is of the opinion that the claims are tenable and would be realized in full and accordingly no adjustments have been made in the Statement. Our review report is not modified in respect of these matters.

*Walker Chandiook & Co LLP*

**For Walker Chandiook & Co LLP**

*(formerly Walker, Chandiook & Co)*

Chartered Accountants

Firm Registration No: 001076N/N500013

*Sudhir Pillai*

per **Sudhir N. Pillai**

Partner

Membership No. 105782

Mumbai

5 November 2015



**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
 FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015**

**PART I**

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
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.12.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations						
	a) Net Sales / Income from Operations	68,717.73	73,186.97	40,395.81	200,602.03	120,000.70	171,242.31
	b) Other Operating Income	47.44	48.01	380.85	170.34	481.35	652.29
	Total Income from Operations	68,765.17	73,234.98	40,776.66	200,772.37	120,482.05	171,894.60
2	Expenses						
	a) Cost of materials consumed	19,163.28	19,931.43	16,468.76	58,543.27	43,716.66	64,392.02
	b) Employee benefits expense	6,282.82	5,532.36	4,228.39	17,083.34	14,227.35	19,363.89
	c) Sub-contract charges	25,787.82	28,462.86	9,146.39	74,706.12	25,924.43	40,260.28
	d) Depreciation and amortisation expense	788.53	1,132.17	1,266.98	2,924.62	3,238.77	4,270.88
	e) Other expenses	13,242.85	14,219.26	9,409.95	37,849.67	29,576.18	38,770.92
	Total expenses	65,265.30	69,278.08	40,520.47	191,107.02	116,683.39	167,057.99
3	Profit from Operations before other Income, finance costs and Exceptional Items (1-2)	3,499.87	3,956.90	256.19	9,665.35	3,798.66	4,836.61
4	Other Income	318.68	227.14	370.09	1,561.33	1,918.72	1,849.47
5	Profit from ordinary activities before finance costs and Exceptional Items (3+4)	3,818.55	4,184.04	626.28	11,226.68	5,717.38	6,686.08
6	Finance costs	3,326.90	3,631.89	3,560.22	10,613.29	10,242.62	13,550.37
7	Profit / (loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	491.65	552.15	(2,933.94)	613.39	(4,525.24)	(6,864.29)
8	Exceptional Items (refer note 5)	-	-	-	(12,397.18)	-	9,553.25
9	Profit / (loss) from Ordinary Activities before Tax (7+8)	491.65	552.15	(2,933.94)	(11,783.79)	(4,525.24)	2,688.96
10	Tax Expense (net)	76.31	236.76	(738.96)	(2,847.30)	(1,065.00)	747.53
11	Net Profit / (loss) from Ordinary Activities after Tax (9-10)	415.34	315.39	(2,194.98)	(8,936.49)	(3,460.24)	1,941.43
12	Extraordinary Items	-	-	-	-	-	-
13	Net Profit / (loss) for the period (11-12)	415.34	315.39	(2,194.98)	(8,936.49)	(3,460.24)	1,941.43
14	Share of profit / (loss) of associates (Not applicable)	-	-	-	-	-	-
15	Minority interest (Not applicable)	-	-	-	-	-	-
16	Net Profit / (loss) after taxes, minority interest and share of profit of associates (13+14-15)	415.34	315.39	(2,194.98)	(8,936.49)	(3,460.24)	1,941.43
17	Paid-up equity share capital (Face Value: Rs. 10/- per share)	1,551.58	1,551.58	1,551.58	1,551.58	1,551.58	1,551.58
18	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	55,230.22
19. i	Earnings per share (before extraordinary items)(Face Value: Rs. 10/- per share) (not annualised)						
	a) Basic	0.27	0.20	(1.73)	(5.76)	(2.91)	1.51
	b) Diluted	0.27	0.20	(1.73)	(5.76)	(2.91)	1.51
19. ii	Earnings per share (after extraordinary items)(Face Value: Rs. 10/- per share) (not annualised)						
	a) Basic	0.27	0.20	(1.73)	(5.76)	(2.91)	1.51
	b) Diluted	0.27	0.20	(1.73)	(5.76)	(2.91)	1.51
See accompanying note to the financial results							

**PART II**

A	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding						
	Number of Shares	75,044,720	75,044,720	75,044,720	75,044,720	75,044,720	75,044,720
	Percentage of Shareholding	48.37%	48.37%	48.37%	48.37%	48.37%	48.37%
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	80,113,180	80,113,180	80,113,180	80,113,180	80,113,180	80,113,180
	- 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)	51.63%	51.63%	51.63%	51.63%	51.63%	51.63%

	Particulars	3 months ended 30-9-2015
B	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	11
	Disposed off during the quarter	11
	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 November 5, 2015 and on recommendation of Audit Committee has been approved by the Board of Directors of the Company at its meeting held on November 5, 2015.
- 2) The Company operates in one segment viz. Construction.
- 3) Trade receivables and Unbilled Work-in-progress as at September 30, 2015 include amounts aggregating Rs.2,173 lakhs and Rs.1,104 lakhs respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for speedy recovery of the balance receivables. In view thereof, management is reasonably confident of their recovery.  
Audit Report for the year ended December 31, 2014 and Limited Review Report for the quarter ended June 30, 2015 and September 30, 2015 of the Statutory Auditor are qualified in respect of above matter.
- 4) a) Long term trade receivables as at September 30, 2015 include variation claims of 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, Court Order and legal opinion, management is reasonably confident of recovery of these amounts.  
b) Long term trade receivables and Unbilled Work-in-progress as at September 30, 2015 includes Rs.1,140 lakhs and Rs.2,756 lakhs respectively, for a contract which has been rescinded by the Company and long term trade receivables and unbilled work-in-progress as at September 30, 2015 includes Rs.1,414 lakhs and Rs.5,922 lakhs respectively, 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.1,497 lakhs. The Company has made claims against the customer to recover these amounts and has initiated legal action. Based upon legal opinion received, the management is reasonably confident of recovery of these amounts of long term trade receivable and unbilled work-in-progress and consequently no changes have been made to the values and classification of these amounts in the statements.
- 5) a) During the quarter ended March 31, 2015, the Company has signed a definitive agreement with the National Highways Authority of India (NHAI) under which both parties had agreed to settle all awards received, claims under consideration at various forums, pending disputes and amounts outstanding in the Company's and joint venture's books of account under trade receivables and unbilled work-in-progress in respect of all the contracts executed by the company and Joint Venture. Pursuant to this settlement the Company including its share in Joint Venture has accounted for the resultant loss on the settlement of Rs.12,397 lakhs which has been disclosed as an exceptional item.  
b) During the year ended December 31, 2014, the Company has, with retrospective effect, changed its method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method effective October 1, 2014. The change in the above accounting policy has resulted in a surplus of Rs.9,553 lakhs relating to the depreciation already charged upto the period ended September 30, 2014 which has been disclosed as an exceptional item.
- 6) The Company has provided depreciation on the basis of useful life of fixed assets as mandated by Schedule II of the Companies Act, 2013. Further, in line with Schedule II, the Company undertook technical evaluation of certain fixed assets to determine the true useful life and recomputed the depreciation on that basis. Consequently, the depreciation for the quarter and nine months ended September 30, 2015 is lower by Rs. 61 lakhs and Rs. 122 lakhs respectively, the profit before tax for the quarter ended September 30, 2015 is higher by Rs. 61 lakhs and loss before tax for nine months ended September 30, 2015 is lower by Rs. 122 Lakhs.
- 7) With effect from record date 24 August 2015, the face value of the Company's shares have been sub-divided from Rs. 10 per share to Re. 1 per share. Earnings per share for previous periods have been computed based on the revised number of shares.
- 8) The unaudited standalone results of the Company for the quarter ended September 30, 2015 are available on the Company's website (www.itdcm.co.in) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 9) The figures for the previous periods have been regrouped wherever necessary to conform to the current period's presentation.

10) 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
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.12.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
a) Net Sales / Income from Operations	60,638.61	64,248.52	30,767.53	174,544.53	93,704.07	135,240.84
b) Profit / (loss) before tax	444.01	324.79	(3,029.98)	(12,092.71)	(5,183.28)	2,795.04
c) Net Profit / (loss) after tax	415.37	315.40	(2,194.98)	(8,936.46)	(3,460.28)	1,941.38

By Order of the Board

Adun Saraban  
Managing Director

Place : Mumbai  
Dated : November 5, 2015

