

ITD Cementation India Limited

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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2015**

PART I		(Rupees in Lakhs)				
	Particulars	3 months ended (refer note 9)	Preceding 3 months ended	Corresponding 3 months ended in the previous year (refer note 9)	Current year ended	Previous year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations					
	a) Net Sales / Income from Operations	99,064.17	60,638.61	41,536.77	273,608.70	135,240.84
	b) Company's share in profit of Joint Venture, (net)	(199.80)	88.86	(87.35)	303.26	510.53
	c) Other Operating Income	107.10	93.03	335.17	441.10	1,189.28
	Total Income from Operations	98,971.47	60,820.50	41,784.59	274,353.06	136,940.65
2	Expenses					
	a) Cost of materials consumed	19,306.35	15,743.84	14,426.30	66,234.95	46,899.41
	b) Employee benefits expense	4,343.88	5,252.62	4,160.17	18,432.25	15,611.99
	c) Sub-contracts expense	53,478.95	24,287.32	13,741.44	124,255.07	34,639.10
	d) Depreciation and amortisation expense	656.92	645.81	630.49	2,485.29	2,942.69
	e) Other expenses	15,940.81	12,009.54	7,633.45	49,600.97	32,341.17
	Total expenses	93,726.91	57,939.13	40,591.85	261,008.53	132,434.36
3	Profit from Operations before other Income, finance costs and Exceptional Items (1-2)	5,244.56	2,881.37	1,192.74	13,344.53	4,506.29
4	Other Income	527.00	230.65	76.63	1,683.94	731.05
5	Profit from ordinary activities before finance costs and Exceptional Items (3+4)	5,771.56	3,112.02	1,269.37	15,028.47	5,237.34
6	Finance costs	2,554.34	2,668.01	2,844.30	11,506.77	11,995.55
7	Profit / (loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	3,217.22	444.01	(1,574.93)	3,521.70	(6,758.21)
8	Exceptional Items (refer note 5)	-	-	9,553.25	(12,397.19)	9,553.25
9	Profit / (loss) from Ordinary Activities before Tax (7+8)	3,217.22	444.01	7,978.32	(8,875.49)	2,795.04
10	Tax Expense	211.49	28.64	2,576.66	(2,944.76)	853.66
11	Net Profit / (loss) from Ordinary Activities after Tax (9-10)	3,005.73	415.37	5,401.66	(5,930.73)	1,941.38
12	Extraordinary Items	-	-	-	-	-
13	Net Profit / (loss) for the period (11-12)	3,005.73	415.37	5,401.66	(5,930.73)	1,941.38
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 / (loss) of associates (13+14-15)	3,005.73	415.37	5,401.66	(5,930.73)	1,941.38
17	Paid-up Equity Share Capital (Face Value: Re. 1/- per share)	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				49,270.23	55,230.57
19.i	Earnings Per Share (before extraordinary items) (Face Value: Re. 1/- per share) (not annualised)					
	a) Basic	1.94	0.27	3.48	(3.82)	1.51
	b) Diluted	1.94	0.27	3.48	(3.82)	1.51
19.ii	Earnings Per Share (after extraordinary items) (Face Value: Re. 1/- per share) (not annualised)					
	a) Basic	1.94	0.27	3.48	(3.82)	1.51
	b) Diluted	1.94	0.27	3.48	(3.82)	1.51
	See accompanying note to the financial results					



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Notes:

- 1) The above results have been reviewed by the Audit Committee at its Meeting held on February 24, 2016 and on recommendation of Audit Committee has been approved by the Board of Directors of the Company at its meeting held on February 24, 2016.
- 2) The Company operates in one segment viz. Construction.
- 3) Trade receivables and Unbilled Work-in-progress as at December 31, 2015 include amounts aggregating Rs.3,033 lakhs and Rs.479 lakhs respectively, which have been outstanding for a substantial period of time. The Company has been actively negotiating for recovery and also pursuing legal action of the balance receivables. In view thereof, management is reasonably confident of their recovery.

Audit Report for the year ended December 31, 2014 and December 31, 2015 and Limited Review Report for the quarter ended September 30, 2015 are qualified in respect of above matter.

- 4) a) Long term trade receivables as at December 31, 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 December 31, 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 December 31, 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 year ended December 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 had, 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 year ended December 31, 2015 is lower by Rs. 95 lakhs and Rs. 217 lakhs respectively, the profit before tax for the quarter ended December 31, 2015 is higher by Rs. 95 lakhs and loss before tax for year ended December 31, 2015 is lower by Rs. 217 Lakhs. Further, Rs.30 lakhs (net of Deferred Tax) has been adjusted to the opening balance of the retained earnings where the remaining useful life of the assets was nil as at January 1, 2015.
- 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 audited standalone results of the Company for the quarter and year ended December 31, 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 of last quarter of current and the previous years are the balancing figures between the audited figures for the full financial years and the unaudited published year-to-date figures for nine months of respective years.
- 10) The figures for the previous periods have been regrouped wherever necessary to conform to the current period's presentation.

Place : Mumbai
Dated : February 24, 2016



For and on behalf of the Board of Directors


Adun Saraban
Managing Director
DIN No. 01312769



Statement of standalone Assets and Liabilities		
(Rupees in Lakhs)		
PARTICULARS	As at (current year ended)	As at (previous year ended)
	(31/12/2015)	(31/12/2014)
	Audited	Audited
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share capital	1,551.58	1,551.58
b) Reserves and surplus	49,270.23	55,230.57
Sub- total- Shareholders' funds	50,821.81	56,782.15
2. Non-current liabilities		
a) Long-term borrowings	982.81	2,960.61
b) Long-term provisions	692.16	560.70
Sub- total- Non-current liabilities	1,674.97	3,521.31
3. Current liabilities		
a) Short-term borrowings	45,168.90	59,742.46
b) Trade payables	71,678.03	36,288.59
c) Other current liabilities	47,047.99	34,584.65
d) Short-term provisions	1,597.52	1,078.16
Sub- total- Current liabilities	165,492.44	131,693.86
TOTAL - EQUITY AND LIABILITIES	217,989.22	191,997.32
B. ASSETS		
1. Non-current assets		
a) Fixed assets		
Tangible assets	29,312.93	28,280.38
Capital work-in-progress	196.84	178.18
b) Non-current investments	6,607.42	5,914.11
c) Deferred tax assets (net)	3,622.20	664.20
d) Long-term loans and advances	16,960.30	11,684.39
e) Long-term trade receivables	2,863.37	2,863.37
f) Other non-current assets	18.89	27.54
Sub- total- Non-current assets	59,581.95	49,612.17
2. Current assets		
a) Current investments	0.26	0.26
b) Inventories	99,730.47	95,943.92
c) Trade receivables	26,116.29	33,457.81
d) Cash and bank balances	14,087.97	1,676.54
e) Short-term loans and advances	18,355.39	11,291.04
f) Other current assets	116.89	15.58
Sub- total- Current assets	158,407.27	142,385.15
TOTAL - ASSETS	217,989.22	191,997.32



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Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of ITD Cementation India Limited

1. We have audited the standalone financial results of ITD Cementation India Limited ("the Company") for the year ended 31 December 2015, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to note 9 in the standalone financial results regarding the figures for the quarter ended 31 December 2015 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results have been prepared on the basis of the standalone financial statements and reviewed quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our review of standalone financial results for the nine month period ended 30 September 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to 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 accounting principles generally accepted in India; and our audit of the standalone financial statements which have been prepared in accordance 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 accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as standalone financial results. An audit also includes assessing the accounting principles used and significant



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estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

3. As stated in Note 3 to the standalone financial results, the Company's trade receivables and unbilled work in progress as at 31 December 2015 include amounts aggregating ₹ 3,033 lakhs (31 December 2014: ₹ 2,655 lakhs and quarter ended 30 September 2015: ₹ 2,173 lakhs) and ₹ 479 lakhs (31 December 2014: ₹ 1,584 lakhs and quarter ended 30 September 2015: ₹ 1,104 lakhs) respectively, being considered as good and recoverable by the management. These amounts are presently under negotiation with the customers or subject matter of litigation. 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 for the quarter ended 30 September 2015 were also qualified in respect of this matter.
4. In our opinion and to the best of our information and according to the explanations given to us this Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) gives a true and fair view of the net loss and other financial information for the quarter ended 31 December 2015 as well as the results for the year ended 31 December 2015 except for the possible effects of qualification as described in the previous paragraph.
5. We draw attention to Note 4 to the standalone financial results 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 31 December 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 opinion 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

24 February 2016