

# Walker Chandiook & Co LLP

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## **Independent Auditor's Review 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 reviewed the accompanying statement of unaudited standalone financial results ("Statement") of ITD Cementation India Limited ("the Company") for the quarter ended 30 September 2017 and the year to date results for the period 1 January 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 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 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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4. We draw attention to Note 6 to the Statement which describes the uncertainty related to recoverability of non-current trade receivables and unbilled work in progress (other non-current financial assets) aggregating ₹ 2,863.37 lakhs and ₹ 8,677.57 lakhs respectively outstanding as at 30 September 2017, representing various claims recognised during the earlier period based on the terms and conditions implicit in the contracts. The Company has assessed the recoverability of these claims, being technical in nature and subject matter of litigation, based on the contractual terms and legal opinions obtained from 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 report is not modified in respect of these matters.

Walker Chandiook & Co LLP

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

per **Rakesh R. Agarwal**

Partner

Membership No: 109632

Mumbai

8 November 2017

**ITD Cementation India Limited**

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017**

(₹ in Lakhs)

Sr. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended	Nine months ended	Corresponding Nine months ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
		(Unaudited)	(Unaudited)	(Unaudited) (refer note 3)	(Unaudited)	(Unaudited) (refer note 3)
1	Income from operations	41,372.27	47,343.96	44,420.61	140,548.87	224,008.07
2	Other income	362.46	859.10	512.60	1,966.40	1,411.16
3	<b>Total Income (1+2)</b>	<b>41,734.73</b>	<b>48,203.06</b>	<b>44,933.21</b>	<b>142,515.27</b>	<b>225,419.23</b>
4	<b>Expenses</b>					
	a) Cost of materials consumed	10,377.16	14,772.57	12,343.08	39,912.55	51,621.46
	b) Subcontracting expenses	8,885.17	8,695.27	11,191.73	31,518.81	95,576.07
	c) Employee benefits expense	5,729.60	6,407.46	6,037.17	18,134.14	16,488.05
	d) Depreciation and amortisation expense	1,366.58	1,317.21	1,220.67	4,066.58	3,615.88
	e) Finance costs	2,188.35	2,179.93	2,084.75	6,447.12	6,860.28
	f) Other expenses	10,248.60	11,865.72	10,562.93	33,350.69	43,716.20
	<b>Total expenses (a+b+c+d+e+f)</b>	<b>38,795.46</b>	<b>45,238.16</b>	<b>43,440.33</b>	<b>133,429.89</b>	<b>217,877.94</b>
5	<b>Profit before tax (3-4)</b>	<b>2,939.27</b>	<b>2,964.90</b>	<b>1,492.88</b>	<b>9,085.38</b>	<b>7,541.29</b>
6	<b>Tax expense/ (credit)</b>					
	(a) Current income tax	1,394.90	1,711.96	449.06	5,635.90	1,440.06
	(b) Deferred income tax	(368.27)	(819.10)	259.06	(2,051.94)	2,204.87
	<b>Total tax expense (a+b)</b>	<b>1,026.63</b>	<b>892.86</b>	<b>708.12</b>	<b>3,583.96</b>	<b>3,644.93</b>
7	<b>Profit for the period (5-6)</b>	<b>1,912.64</b>	<b>2,072.04</b>	<b>784.76</b>	<b>5,501.42</b>	<b>3,896.36</b>
8	<b>Other comprehensive income (OCI)</b>					
	a) Items not to be reclassified subsequently to profit or loss					
	- Profit/(loss) on fair value of defined benefit plans as per actuarial valuation	45.84	(379.86)	(102.51)	(517.90)	(316.45)
	- Income tax effect on above	(15.87)	131.47	35.48	179.24	109.52
	b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Other comprehensive income for the period, net of tax (a+b)</b>	<b>29.97</b>	<b>(248.39)</b>	<b>(67.03)</b>	<b>(338.66)</b>	<b>(206.93)</b>
9	<b>Total Comprehensive Income for the period, net of tax (7+8)</b>	<b>1,942.61</b>	<b>1,823.65</b>	<b>717.73</b>	<b>5,162.76</b>	<b>3,689.43</b>
10	Paid-up equity share capital (Face Value: ₹ 1 per share)	1,551.58	1,551.58	1,551.58	1,551.58	1,551.58
11	Earnings per share (Face Value: ₹ 1 per share)					
	a) Basic (not annualised) in ₹	1.23	1.34	0.51	3.55	2.51
	b) Diluted (not annualised) in ₹	1.23	1.34	0.51	3.55	2.51
	<b>See accompanying notes to the standalone financial results</b>					



**Notes:**

- 1) The above standalone results have been reviewed by the Audit Committee at its meeting held on November 8, 2017 and based on the recommendation of the Audit Committee, have been approved by the Board of Directors of the Company at its meeting held on November 8, 2017.
- 2) The Company is principally engaged in a single business segment viz Construction.
- 3) The Company has adopted the Indian Accounting Standards (Ind AS) from January 1, 2017 and accordingly the above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition to Ind AS is January 1, 2016. The impact of transition has been accounted in the opening reserves and accordingly the comparative period result for the quarter and nine months ended September 30, 2016 have been restated. The opening balance sheet and results for the subsequent periods/previous year would get finalized along with the annual financial statements for the year ending December 31, 2017.

The Ind AS compliant results, pertaining to the relevant period of the previous year as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the standalone financial results provide a true and fair view of its affairs for comparison purposes.

- 4) In view of the various clarifications issued and being issued by the Ind AS transition facilitation group (ITFG) constituted by the Accounting Standards Board of the Institute of Chartered Accountants of India, it may be possible that the interim financials may undergo adjustments on finalisation of full year Ind AS financial statements as at and for the year ending December 31, 2017; due to treatments/methods suggested by ITFG on applicability of various Ind AS.
- 5) Reconciliation of Net Profit reported under previous Indian GAAP and the Total Comprehensive Income as per Ind AS for the quarter and nine months ended September 30, 2016 is as per the table below:

Particulars	(₹ in Lakhs)	
	Quarter ended 30.09.2016	Nine months ended 30.09.2016
	(Unaudited) (refer note 3)	(Unaudited) (refer note 3)
<b>Net Profit for the period under previous Indian GAAP</b>	686.62	3,509.55
Interest income recognised on fair valuation of security deposits	7.22	20.65
Impact of provision for expected credit loss	37.17	252.71
Re-classification of actuarial gain on defined employee benefit obligation to OCI	102.51	316.45
Rent expenses recognised on fair valuation of security deposits	(7.41)	(21.67)
Fair value measurement of financial liabilities	9.54	26.37
Others	0.27	(2.82)
Deferred tax on above adjustments (net)	(51.16)	(204.88)
<b>Net Profit for the period under Ind AS</b>	<b>784.76</b>	<b>3,896.36</b>
Other Comprehensive income (net of tax)	(67.03)	(206.93)
<b>Total Comprehensive Income under Ind AS</b>	<b>717.73</b>	<b>3,689.43</b>

- 6) a) Non-current trade receivables as at September 30, 2017 include variation claims of ₹ 309 lakhs for which the Company had received an arbitration award in its favour which has subsequently been upheld by an order of 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) Non-current trade receivables and Unbilled work-in-progress (other non-current financial assets) as at September 30, 2017 includes ₹ 1,139.96 lakhs and ₹ 2,755.80 lakhs respectively, for a contract which was rescinded by the Company and Non-current trade receivables and Unbilled work-in-progress (other non-current financial assets) as at September 30, 2017 includes ₹ 1,414.41 lakhs and ₹ 5,921.77 lakhs respectively, in respect of another contract where the Company 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 ₹ 1,497.13 lakhs. The Company has made claims against the customers to recover these amounts and has initiated legal action. Based upon legal opinions received, the management is reasonably confident of recovery of these amounts of Non-current trade receivables and Unbilled work-in-progress (other non-current financial assets) and consequently no changes have been made to the values and classification of these amounts in the results.

For and on behalf of the Board of Directors

  
Adun Saraban  
Managing Director  
DIN No. 01312769



Place : Mumbai  
Dated : November 8, 2017

