




# ANNUAL REPORT 2011-2012



C & C CONSTRUCTIONS LTD.  
Partners in Nation Building



**Date of Annual General Meeting:**  
11th December, 2012

**Venue:**  
Air Force Auditorium  
Subroto Park, New Delhi-110010

**Time:** 10.00 am

**Disclaimer:** In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumption. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# OPTIMISM

“ Company is fully geared to address the current situation as it unfolds and is taking all steps to bring back the equilibrium to its operations and put it back on a growth trajectory once more ”

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# Corporate Information

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## BOARD OF DIRECTORS

### Promoter and Executive Directors

Mr. Gurjeet Singh Johar, Chairman  
Mr. Charanbir Singh Sethi, Managing Director  
Mr. Rajbir Singh  
Mr. Sanjay Gupta  
Mr. Amrit Pal Singh Chadha

### Non Promoter and Executive Director

Mr. Rajendra Mohan Aggarwal

### Independent Directors

Mr. Deepak Dasgupta  
Mr. Anand Bordia  
Mr. Ramesh Chandra Rekhi  
Mr. Kanwal Monga  
Mr. Tarlochan Singh  
Mr. J. Ganguly  
Gen. N. C. Vij

## NOMINEE DIRECTOR OF INDIA VENTURE TRUST

Mr. Arun Kumar Purwar

## COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Deepak Nathani

## AUDITORS

ASG & Associates  
Chartered Accountants,  
74, Hemkunt Colony  
New Delhi-110048

## BANKERS

State Bank of India, New Delhi  
State Bank of Patiala, New Delhi  
State Bank of Hyderabad, New Delhi  
Standard Chartered Bank, New Delhi  
Indusind Bank, New Delhi  
ICICI Bank, New Delhi  
Barclays Bank, New Delhi  
DBS Bank Ltd., New Delhi  
Axis Bank Ltd., Gurgaon  
IDBI Bank Ltd, New Delhi  
Oriental Bank of Commerce, Gurgaon  
Central Bank of India

## CORPORATE OFFICE

Plot No. 70, Sector 32,  
Gurgaon 122001, Haryana (India)  
Phone: 0124-4536666, Fax: 0124-4536799  
E-mail: [candc@candcinfrastructure.com](mailto:candc@candcinfrastructure.com)  
Website: [www.candcinfrastructure.com](http://www.candcinfrastructure.com)

## REGISTERED OFFICE

G-11, Hemkunt Chamber, Nehru Place,  
New Delhi - 110019

## REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka, Andheri (East),  
Mumbai – 400 072  
Tel.: (022) 40430200  
Fax: (022) 28475207  
E-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

# From The Chairman's Desk

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## Dear Shareholders,

The Indian economy like the global economy is in the midst of a slowdown. The financial year 2011-12 came with a number of upheavals in the economy and financial markets, internationally as well as at domestic level. These have adversely affected the pace of push in infrastructure spend which aided India's growth story in the recent past.

Infrastructure sector has been interrupted by Government of India's policy paralysis. On this account there has been a slow down in order off-take and liquidity crunch, putting a large number of companies in the sector in financial stress.

Further, inflationary pressures resulted in an all-round increase in costs especially of petroleum products and major construction materials.

Your Company generated losses in 2011-12, the details of which are outlined in the chapter on Management Discussion and Analysis and the audited financial statements. It has also put pressure on your Company's cash position and debt servicing ability. Indeed, the decision-making paralysis has extended to a situation where a large portion of your Company's work-in-progress and receivables from various projects have been pushed into claims. All these factors have led to higher working capital requirements and an increase in debt and finance costs.

The Company had decided to approach the bankers and financial institutions for a Corporate Debt Restructuring (CDR) under Reserve Bank of India formulated CDR rules. The formal flash report has been accepted by CDR authority. With the active support of our bankers and other lenders, the final scheme is being submitted and is likely to be heard during the next 4-6 weeks.

I would assure you that your Company is fully geared to address the current situation as it unfolds and is taking all steps to bring back the equilibrium to its operations and put it back on a growth trajectory once more.

Meanwhile, to meet these challenges, the Company has put in place deep austerity measures, the effects of which will be seen in the current financial year.

In the life cycle of any company there are periods of stress. Your management is fully geared to address them in the shortest possible time. Special management teams have been formed to address the settlement of claims and we hope to see results in the next 6-8 quarters.

In time like this we are also gearing ourself to achieve higher efficiency in utilisation of man, machinery and money.

I heartily thank each one of our employees whose commitment, hard work and dedication are making us sail through the difficult times. I am grateful to the Board of Directors for their unwavering encouragement and guidance. I would also like to express my gratitude to all our customers, business associates, banks and shareholders, who have reposed trust in us. Given your continued support, I believe C&C will overcome all the obstacles, meet emerging needs and pursue growth for maximizing shareholder value over the coming years.

Sincerely,

**Gurjeet Singh Johar**

Chairman





# Board of Directors

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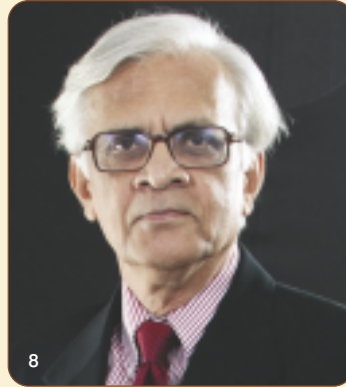
1. Mr Gurjeet Singh Johar
2. Mr Charanbir Singh Sethi



3. Mr Rajbir Singh
4. Mr Sanjay Gupta

5. Mr Amrit Pal Singh Chadha
6. Mr Rajendra Mohan Aggarwal



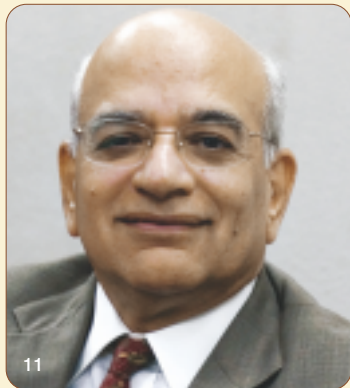


7. Mr Deepak Dasgupta

8. Mr Anand Bordia

9. Mr Ramesh Chandra Rekhi

10. Mr Tarlochan Singh

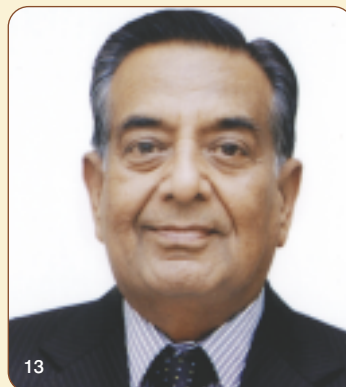


11. Mr Kanwal Monga

12. Mr J. Ganguly

13. Gen. N.C. Vij

14. Mr Arun Kumar Purwar



# DIRECTORS' REPORT

Dear shareholders,

Your Directors hereby present the 16th annual report along with the audited accounts of your Company for the year ended 30 June, 2012.

## FINANCIAL RESULTS

Your Company's financial performance during the financial year 2011-2012 is summarized below:-

(Rs. in crore)

|  | 2011-12        | 2010-11       |
|--|----------------|---------------|
| Gross sales  | 1148.20        | 1,291.53      |
| Total income   | 1154.46        | 1,298.97      |
| <b>Profit before interest, depreciation and taxation</b> | <b>148.40</b>  | <b>269.33</b> |
| Interest   | 178.65         | 130.66        |
| <b>Profit/(Loss) before depreciation and taxation</b>    | <b>(30.25)</b> | <b>138.67</b> |
| Depreciation   | 35.73          | 36.99         |
| <b>Net profit/(loss) before taxation</b>                 | <b>(65.98)</b> | <b>101.68</b> |
| Taxation   | 6.00           | 49.63         |
| <b>Net profit/ (loss)</b>                                | <b>(71.98)</b> | <b>52.05</b>  |
| Profit brought forward from last year                    | 228.75         | 191.69        |
| <b>Profit available for appropriations</b>               | <b>156.77</b>  | <b>243.74</b> |
| <b>Appropriations</b>                                    |                |               |
| Transfer to General Reserve                              | 0.00           | 7.50          |
| Dividend on equity shares                                | 0.57*          | 6.43          |
| Dividend on Preference shares                            | 0.00           | 0.005         |
| Corporate dividend tax                                   | 0.09*          | 1.05          |
| Balance carried to balance sheet                         | 156.11         | 228.75        |
| <b>Total</b>   | <b>156.77</b>  | <b>243.74</b> |
| <b>EPS in Rs.</b>  | <b>(29.00)</b> | <b>22.25</b>  |

\* Dividend paid for the financial year 2010-11 on conversion of outstanding CCPS into equity shares on 20.10.2011.

## DIVIDEND

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended June 30, 2012.

## OPERATIONAL PERFORMANCE

The turnover of the Company at Rs.1148.20 crore has shown a decrease of 11.1% as compared to Rs. 1291.5 crore for the previous year. The loss before tax is Rs. 66.0 crore as compared to a profit of Rs. 101.7 crore for the previous year.

The lower turnover and operating margins in an environment of high interest costs has put severe pressure on the Company's profitability. Non payments of awarded claims in arbitrations added to the liquidity problem and debt servicing ability and increased interest costs further.

The Company approached the leading bankers and they have referred their total debt to the Company of around Rs. 1111.11 crore for restructuring to the Corporate Debt Restructuring (CDR) Cell.

Under the regulatory frame work of the Reserve Bank of India (RBI), the CDR forum caters to an official platform for both the creditors and borrowers to amicably and collectively evolve policies for working out debt restructuring plans. The broad contours of this restructuring exercise involves restructuring of debt in terms of extension of payback period, deferring certain interests on term loans, concessional rate of interest and provision of further need based working capital and loans for capex. This debt restructuring will provide the Company with breathing space to work on improving operational margins and securing a larger order book to



improve turnover in future years. Apart from focusing on cost cutting measures and cost effective execution, the Company will also focus on sale of non-core assets to improve its balance sheet position.

Your Directors are pleased to inform that Your Company individually and along with other joint venture member has secured the following new ordeers during the year ended on June 2012:

- 765 kV S/C Mainpuri-Bara Line with 765 kV/400 kV AIS at Mainpuri and Associated Schemes/Works-Contract value 4,300.20 cr.
- Development & Modernization Of Computerized Interstate Checkposts On DBOT Basis -Contract value 251.00 cr.
- Four laning of Meerut - Bulandshahar Section of NH-235 in the State of Uttar Pradesh under NHDP Phase IV-B-Contract value 496.24 cr.
- Construction of Road Over Bridges (ROBs) & its approaches at 4 Locations in Jaipur and 1 Location in Reengus in the state of Rajasthan-Contract value 167.79 cr.
- Construction of Road Over Bridges (ROBs) & its approaches at 5 locations in Alwar, Ajmer, Kishangarh in the state of Rajasthan-Contract value 151.08 cr.
- 765KV S/C Transmission Lines from Jabalpur Gantry of Substation of PGCIL to Angle Point 62/0, approx 119 Kms of Jabalpur- Bina Transmission Line under Transmission Facilities associated with Jabalpur Transmission Company Limited.-Contract value 80.47 cr.

The total balance value of works on hand as on June 30, 2012 is Rs. 4467 cr.

## SHARE CAPITAL

During the year under review the Company allotted 20,56,005 equity shares upon conversion of 5,00,00,000 Compulsory Convertible Preference Shares (CCPS) of face value of Rs. 10/- each issued to IL&FS Trust Company Ltd. (acting as the sole trustee for India Venture Trust on a preferential placement basis. These CCPS were converted @Rs. 243.19/- per equity shares, which was floor price determined as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the year following subsidiaries have been promoted by C&C Construtions Ltd.:

| Name of Subsidiary             | Date of Incorporation |
|--------------------------------|-----------------------|
| C&C Tolls Ltd.                 | 30.08.2011            |
| C&C Western UP Expressway Ltd. | 12.10.2011            |

In terms of General Circular issued by Ministry of Corporate Affairs, granting general exemption under section 212(8) for attaching subsidiaries' financial statements, the Board of Directors of the Company had consented for not attaching the annual accounts of the subsidiaries. The annual accounts of the Subsidiary Companies and other related detailed information shall be made available to shareholders of the holding & subsidiary companies seeking such information at any point of time.

The annual accounts of the subsidiary companies shall also be kept for inspection of shareholders in the head office of the holding company.

A statement pursuant to Section 212 (8) of the Companies Act, 1956, containing the details of the subsidiaries of the Company forms part of the Annual Report.

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in associates and Accounting Standard (AS) 27 on Financial Reporting of Interest in Joint ventures, the audited Consolidated Financial Statements for the financial year ended 30 June, 2012 form part of the Annual Report and Accounts.

## CASH FLOW ANALYSIS

In conformity with the provisions of Clause 32 of the Listing Agreement, the cash flow statement for the year ended 30 June, 2012 is included in the annual accounts.

## DIRECTORS

Mr. Amrit Pal Singh Chadha, Mr. Rajbir Singh, Mr. Charanbir Singh Sethi and Mr. Sanjay Gupta retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Ashwini Kumar Sharma has been appointed as Alternate Director to Mr. Arun Kumar Purwar on 28.08.2012

## AUDITORS AND AUDITORS' REPORT

M/s ASG & Associates, Chartered Accountants, New Delhi, the statutory Auditors of the Company are retiring at the ensuing General Meeting and being eligible, offer themselves for reappointment.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

## DEPOSITS

During the year, the Company did not accept any public deposits.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Company's core activity is civil construction, which is not power intensive. However, your Company takes every effort to conserve the usage of power at its sites and offices. Details regarding, foreign exchange earnings and outgo are furnished herein below, pursuant to the provisions of the Companies Act, 1956, read with the Companies (Disclosure of particulars to the Report of Board of Directors) Rules, 1988.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

### THE DETAILS OF FOREIGN EXCHANGE EARNINGS:

| Name of Subsidiary           | 2011-12<br>(Rs.) | 2010-11<br>(Rs.) |
|------------------------------|------------------|------------------|
| Overseas projects and others | 475,982,308      | 1,126,721,918    |

### THE DETAILS OF FOREIGN EXCHANGE OUTGO:

| Name of Subsidiary                          | 2011-12<br>(Rs.) | 2010-11<br>(Rs.) |
|---|------------------|------------------|
| Overseas projects and others                | 409,934,487      | 931,662,860      |
| Travelling expenses, consultancy and others | 3,966,123        | 4,295,609        |
|   | 413,900,610      | 935,958,469      |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate report on the Management discussion and analysis, pursuant to Clause 49 of the Listing Agreement, forms a part of this annual report. Please refer to the same for a comprehensive understanding of the prospects of the infrastructural segments and industries catered to by your Company.

## CORPORATE GOVERNANCE

In pursuance of Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate section on Corporate Governance has been incorporated in the

annual report for the information of the shareholders. A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this annual report.

## CORPORATE SOCIAL RESPONSIBILITY

An essential component to your Company's corporate social responsibility is to care for the community. Your Company endeavours to make a positive contribution towards social causes by supporting a wide range of socio-economic and educational initiatives, and is committed to address important societal needs through philanthropic outreach programmes.

## PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, is enclosed as Annexure 'A' to the this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts for the year ended 30 June, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 30 June 2012 and of the profit for the year ended on that date.
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The accounts for the year ended June 30, 2012 have been prepared on a going-concern basis.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, the Company's bankers, financial institutions, Central and State Government authorities, JV partners, clients, consultants, suppliers and members of the Company and look forward for the same in greater measure in the coming years.

By order of the Board

Chairman

Date: 09.11.2012

Place: Gurgaon