

# ANNUAL REPORT 2012-2013



C & C CONSTRUCTIONS LTD.  
Partners in Nation Building





**Date of Annual General Meeting:**  
19th December, 2013

**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.

# CHALLENGES AHEAD

“In spite of a general economic slowdown globally and the problems we are facing in the Indian infrastructure sector, the company is taking all steps to stop the down slide by securing new projects and taking deep austerity measures”

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# Corporate Information

## 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  
Indusind Bank, New Delhi  
ICICI Bank, New Delhi  
Axis Bank Ltd., Gurgaon  
IDBI Bank Ltd, New Delhi  
Oriental Bank of Commerce, Gurgaon  
Central Bank of India, New Delhi  
Standard Chartered Bank, New Delhi  
DBS Bank Ltd., New Delhi

## CORPORATE OFFICE

Plot no. 70, Sector 32,  
Gurgaon 122001, Haryana (India)  
Phone: 0124-4536666, Fax: 0124-4536799  
E-mail: candc@candcinfrastructure.com  
Website: www.candcinfrastructure.com

## REGISTERED OFFICE

74, Hemkunt Colony  
New Delhi-110048

## REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd  
4E/8 1st Floor, Jhandewalan Extension  
New Delhi -110005  
Tel.: 011-42425004, 011-23522373  
E-mail:bssdelhi@bigshareonline.com  
Website: www.bigshareonline.com

# From The Chairman's Desk



## Dear Stakeholders,

The past two years have been extremely challenging for the infrastructure sector, once considered a frontrunner in India's economic growth. While global economic scenario in FY2012-13 continued to be saddled with various challenges, Country's economic growth rate in 2012-13 pegged lowest at around 5% in the decade and the business environment remained difficult.

The global economic slowdown and issue on the domestic front have posed several challenges. Industry specific issues have added to the pessimism. Apart from the severe liquidity crunch, the industry is facing major problem of delayed decision making and other policy and regulatory barriers including lack of clarity on Government policies, environmental, legal and technical barriers.

There is an overall tightening of liquidity globally and domestically and banks are also concerned about the possibility of non-performing assets building up. A large amount of receivable from the employers has been locked as claims. The lack of liquidity in the system is further creating new rounds of delays in execution for want of working capital.

Heat of the overall industry environment was faced by your company also. It reported revenue from operations at ₹1000.49 crore and loss before tax of ₹160.32 crore. The detailed financial review has been outlined in Management Discussion and Analysis Report. This lower performance than last year was mainly attributable to subdued growth of the sector. Despite the adverse market conditions your company has been able to secure contracts worth ₹693 crore which include the first project of US\$ 58.13 mn. in Sultanate of Oman.

During the year under review the Corporate Debt Restructuring (CDR) scheme for the Company had been approved by the CDR Empowered Group of Reserve Bank of India and implemented by the Company. The Restructuring involves restructuring of debts in terms of extension of payback period, providing concessional rate of interest and advancing further need-based working capital and loan for capex, which provides breathing time to Company to streamline the business. The highlights of the CDR terms has been mentioned elsewhere in the Annual Report.

The approval of CDR package by the Lenders shows their faith in the company's business model and I am extremely thankful to them for that.

Given the tough environment, we need to operate on several fronts and to accelerate project implementation and cut delays. We hope the tight financial situation will improve in course of period to come.

In this regard we have taken a number of initiatives including deep austerity measures. We have succeeded in making our organization leaner. The business strategy has been changed to have focus on the EPC mode for undertaking road projects including extending geographies of operation.

To improve liquidity, the Company is looking to offload its stake in some of its BOT assets. This will enable the Company to trim debt burden and strengthen balance sheet and cash flows.

I hope all these measures will yield results in the months ahead. Achieving a turnaround is never easy, but it can be done. Once the turnaround becomes visible, the mood will change and many virtuous cycles will come into play. We are not there yet, but we can get there. I remain optimistic.

Before I conclude let me assure you that with your unstinting support and the commitment and energy of our employees we shall meet the challenges ahead and enable the Company to successfully back on its track.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all business associates, banks other stake holders, who have reposed trust in us and extended their constant support.

Sincerely,  
**Gurjeet Singh Johar**  
Chairman



## Board of Directors



Mr. Gurjeet Singh Johar



Mr. Charanbir Singh Sethi



Mr. Rajbir Singh



Mr. Sanjay Gupta



Mr. Amrit Pal Singh Chadha



Mr. Rajendra Mohan Aggarwal



Mr. Deepak Dasgupta



Mr. Anand Bordia



Mr. Ramesh Chandra Rekhi



Mr. Tarlochan Singh



Mr. Kanwal Monga



Mr. J. Ganguly



Gen. N.C. Vij



Mr. Arun Kumar Purwar



# Directors' Report

Dear shareholders,

Your Directors hereby present the 17th annual report along with the audited accounts of your Company for the year ended 30 June, 2013.

## Financial results

Your Company's financial performance during the financial year 2012-2013 is summarized below:-

(₹ in Crore)

	2012-13	2011-12
<b>Gross Sales</b>	1000.49	1148.20
Total Income	1009.61	1154.46
<b>Profit before interest, depreciation and taxation</b>	26.53	148.40
Interest	154.73	148.40
<b>Profit/(Loss) Before depreciation and taxation</b>	(128.21)	(30.25)
Depreciation	39.95	35.73
<b>Net profit/(loss) Before taxation</b>	(160.32)	(65.98)
taxation	33.98	6.00
<b>Net Profit/(loss)</b>	<b>(194.30)</b>	<b>(71.98)</b>
Profit brought forward from last year	156.11	228.75
<b>Profit available for appropriations</b>	<b>(38.19)</b>	<b>156.77</b>
<b>Appropriations</b>		
Dividend on equity shares	0.00	0.57*
Corporate dividend tax	0.00	0.09*
Balance carried to balance sheet	(38.19)	156.11
<b>Total</b>	<b>(38.19)</b>	<b>156.77</b>
<b>EPS in ₹</b>	<b>(76.36)</b>	<b>(29.00)</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 on June 30, 2013.

## OPERATIONAL PERFORMANCE

The turnover of the Company at ₹1000.49 crore has shown a decrease of 12.86% as compared to ₹1148.20 crore for the previous year. The loss before tax is ₹160.32 crore as compared to a loss of ₹65.98 crore for the previous year.

This lower performance than last year was mainly attributable to subdued growth of the sector, which is facing the severe liquidity crunch. A large portion of company's work-in-progress and receivables from various projects have been pushed into claims. All these factors have added to the

liquidity problem and debt servicing ability of the Company. In order to get through the present phase of industry-wide liquidity crunch, it was imperative to restructure the Company's debt.

The CDR Empowered Group of Reserve Bank of India approved the Scheme of Corporate Debt Restructuring (CDR) on December 15, 2012 and issued Letter of Approval (LOA) on December 31, 2012. As on June 30, 2013, CDR package related documentation have been executed and security creation stands completed. The salient features of the CDR package of the Company has been mentioned in the Management Discussion and analysis report.

The CDR gives Company critical support to overcome present business environment. This also shows the bankers' faith in the company's business model.

Your Directors are pleased to inform that during the year under report, the Company secured the following major contracts.

- Electro-Mechanical services at Afghan Parliament Building, Afghanistan  
Contract value ₹117.97 cr.
- Design, construction, installation, commissioning of civil works for the Border infrastructure project in Sultanate of Oman  
Contract value ₹319.71 cr.
- Construction of Indian Aviation Academy & hostel Block at Vasant Kunj, New Delhi.  
Contract value ₹93.64 cr.
- Improvement/ upgradation Siwan-Siswan road (SH-89) Length 33.065 Km.  
Contract value ₹149.90 cr.

The total balance value of works on hand as on June 30, 2013 is ₹3665 cr.

#### SHARE CAPITAL

During the year under review, there is no change in the share capital structure of the Company.

#### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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, 2013 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, 2013 is included in the annual accounts.

#### DIRECTORS

Mr. Rajendra Mohan Aggarwal, Mr. Anand Bordia, Mr. Deepak Dasgupta and Mr. Ramesh Chandra Rekhi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Ashwini Kumar Sharma ceased to be Alternate Director to Mr. Arun Kumar Purwar on 15.05.2013.

#### 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.

#### SHIFTING OF REGISTERED OFFICE:

In order to reduce administrative and other expenses which the company was incurring for running the office at G-11, Hemkunt Chamber, Nehru Place, New Delhi, the Shareholders had consented by postal ballot process to shift the registered office of the Company from NCT of Delhi to its own corporate office situated in the State of Haryana.

Shifting of registered office from one state to another is subject to the approval of Central Government. The Company is in the process of filing necessary application for getting approval for that. Meanwhile the registered office of the Company has been shifted to 74, Hemkunt Colony, New Delhi-110048.

#### 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.