BOARD OF DIRECTORS

R Sarabeswar
Chairman & Chief Executive Officer

S Sivaramakrishnan
Managing Director

V G Janarthanam
Director(Operations)

P Venkatesh
Independent Director

P K Sridharan
Independent Director

Jayaram Rangan
Independent Director

Dr. P K Aravindan
Independent Director

Raja Kumar KEC
(Nominee Director of UTI Venture Funds Management Company Private Limtied)

CHIEF FINANCIAL OFFICER
T.R.Seetharaman

COMPANY SECRETARY
P.K. Jeyasree

COMPANY SECRETARY IN PRACTICE
N. Balachandran

AUDITORS
ASA & Associates
Chartered Accountants, Chennai

BANKERS
State Bank of India,
Bank of Baroda,
ICICI Bank, IDBI Bank

REGISTERED OFFICE
No.5,II Link Street, C.I.T.Colony,
Mylapore, Chennai 600 004.
Phone: 2345 4500 Fax: 2499 0225

REGISTRARS:
Karvy Computershare Pvt. Ltd.
No.17-24, Vittal Rao Nagar, Madhapur
Hyderabad 500 081. Phone: 040-4465 5187/4465 5186.

Contents

NOTICE TO THE MEMBERS

Notice is hereby given that the 16th Annual General Meeting of the Company will be held at **The Music Academy Mini Auditorium, 168, TTK Road, Chennai 600 014 on 17th September 2013, at 2.45 P.M.** to transact the following business:-

ORDINARY BUSINESS :

1. To Receive, Consider and adopt the Profit & Loss Account and Balance Sheet as at 31st March 2013 and the Auditors' Report thereon;
2. To appoint a Director in place of Mr. Jayaram Rangan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. P.K.Aravindan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Chennai
Date : August 12, 2013

(P.K.Jeyasree)
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be lodged with the Company not later than 48 hours before the meeting.
3. Members are requested to bring their copies of the Annual Report sent to them, to the Meeting.
4. Any change in shareholders' address for communication/Bank account No. and Bank details may please be immediately intimated to M/s.Karvy Computershare Pvt. Ltd., No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 and also respective Depository Participants where the members have demat accounts.
5. As per Government notification dated 21.04.2011, we propose to send Annual Reports and other communications through e-mail (electronic mode). Hence, please register your email id by sending to cccl.cs@karvy.com.

By Order of the Board

Place: Chennai
Date : August 12, 2013

(P.K.Jeyasree)
Company Secretary

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors present the 16th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March 2013.

1. FINANCIAL RESULTS

(In Rupees)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Turnover	17,233,290,781	20,101,246,508
Profit/(Loss) before Exceptional	261,698,909	1,161,929,043
Items and Tax		
Less: Interest	1,006,696,198	801,664,502
Depreciation	142,585,915	144,709,183
Exceptional Items		
Add: Other Income	80,159,665	78,538,276
Add/Less: Exchange Gain/(Loss)	-	-
Profit/(Loss) before Tax	(896,526,917)	139,380,174
Less: Deferred Tax Charge/(Credit)	(341,320,149)	(60,034,905)
Profit/(Loss) after Tax	(579,206,768)	37,657,827
Add: Balance brought forward from last year	2,365,962,184	2,328,304,357
Amount available for Appropriation Appropriations Transfer to General Reserve Balance carried to Balance Sheet	1,786,755,416	2,365,962,184

2. DIVIDEND:

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2013.

3. OPERATIONS

The year under review has been very difficult . The sluggishness in the industrial growth and the services sector and the inhibitions in building new capacities have affected the overall growth of the Construction sector. Further unbridled competition from small, marginal and regional players has resulted in cut throat competition. Working capital pressure and liquidity pressure have further aggravated the problems. It is in this backdrop the year under review is to be viewed.

The year saw a considerable shrinkage in operating margins because of the increase in the bulk material/diesel/labor costs which could not be passed on to the clients. Further due to liquidity pressure, the company could not avail a cost effective pricing from suppliers as a whole which also affected the operating margins.

The lower turnover and operating margins were accentuated in an environment of higher borrowing and consequent interest costs which adversely affected the Company's profitability.

Non payments of dues and claims by clients, delays in project execution, contractual disputes and inadequate funding added to the liquidity problem and increased leveraged levels.

Current RBI policy on funding is not accommodating favourably the infrastructure industry's borrowing needs. All the players in the infrastructure industry are more or less being affected with the same problem.

The Company has approached its Bankers with a proposal for a term loan to tide over the current situation . The proposal is still being processed by the banks. The Company is also looking for other avenues for infusing funds into the system. Raising Debt is increasingly becoming difficult due to high leverage and poor interest coverage ratio.

In the prevailing market conditions Raising of funds by means of Equity is also increasingly becoming difficult.

The Liquidity issue is a critical factor in maintaining the operations at an economically viable level.

In view of the current general scenario and economic situation, management feels the sluggishness prevailing especially for construction industry, will continue and may further affect the operations.

The total order backlog as on March 31, 2013 is ₹ 339420 lacs.

Till July 2013 , the Decisions awaited from various clients for tenders submitted by the Company is for 125 projects amounting to about ₹ 6440.00 crores. Tenders for various packages for 16 nos projects worth about ₹ 898.34 crores are expected to be submitted in the near future. The Company has also submitted prequalification bids for 41 projects worth over ₹ 3721 crores, which are currently under evaluation.

4. REVIEW OF SUBSIDIARIES OPERATIONS

Consolidated Interiors Ltd.

The operations of this subsidiary has been severely affected by lack of visible orders due to sluggishness in the services sector and efforts to revive the company are being contemplated.

Noble Consolidated Glazings Ltd.

Liquidity constraints is affecting the operations of the company . High Interest Cost coupled with the inability to procure materials at competitive prices is affecting the operating margins and consequently the profits . The slow collections and contractual issues with clients are having an impact on the collection. Efforts to get additional funding lines are in process.

CCCL Infrastructure Ltd.

5 MW solar plant has been steadily generating power and income for the company.

CCCL Pearlcity Foodport SEZ Ltd.

This is the step down subsidiary of CCCL Infrastructure Ltd. In order to put the administrative building to better use, we are examining the possibility of leasing the bigger floor space wing to light applications like Tea packing, ingredients mixing and packing type of units. Two Tea companies have shown interest in using this opportunity. Hopefully some positive results could come by end of this calendar year.

With respect to units which have entered the SEZ, two units have started their work and other units are under progress to start their business.

With a view to monetize the assets in both CCCL Infrastructure and its step down subsidiaries , the Board of Directors has decided to sell the stakes in the subsidiaries and initiated talks with buyers to shore up the liquidity and concentrate on the core business.

Delhi South Extension Car Park Ltd.

The Municipal Corporation of Delhi with whom a Concession agreement was signed for the development of an underground Car Park and Commercial complex has been deferred by the Municipal Corporation Delhi due to administrative reasons . The concession fee paid to Municipal Corporation of Delhi has been refunded. The company has received the refund on 19th June 2013.

5. SUBSIDIARY ACCOUNTS

The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the head office/registered office of the Company and of the subsidiary companies concerned and the Company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand. The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;

In terms of the General Circular No. 2/2011 dated February 8, 2011 read together with General Circular No. 3/2011 dated February 21, 2011, issued by the Government of India - Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching financial statements of subsidiaries, subject to fulfillment of conditions stated in the circular, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors Report of the subsidiary companies for the year ended March 31, 2013 are not attached to the Balance Sheet of the Company as the Company fullfilled the conditions refered in the said circular.

6. EMPLOYEE STOCK OPTION SCHEME (ESOP)

Of the vested options in the year 2009, 137335 equity shares of ₹ 2/- each had been transferred to 265 employees in 2012. The balance shares available for grant with the CCCL Employees Welfare Trust is 861230 shares as of date out of originally allotted 1250000 shares.

A certificate from the auditors stating that the scheme has been implemented in accordance with the SEBI

Guidelines and is in accordance with the resolution passed by the Company in the General Meeting, pursuant to Clause 14 of Part A of SEBI (ESOS and ESPS) Guidelines, 1999.

7. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with applicable Accounting Standards forms a part of this Annual Report

8. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance forms part of this Report.

9. DIRECTORS

There were no changes in the composition of the Board during the financial year ended 31.03.2013.

Mr. P.K.Aravindan and Mr. Jayaram Rangan Directors are retiring by rotation in the ensuing Annual General Meeting and they being eligible offers themselves for reappointment. The Company has received Form DD-A from all these Directors as required under the Companies (Disqualification of Directors under Section 274 (1) (g) of the Companies Act, 1956) Rules, 2003. A brief profile of all these Directors containing details of their qualification, expertise, other directorships, committee memberships etc. has been given in the Report on the Corporate Governance as well as in the Notice of the ensuing Annual General Meeting of the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

a) In the preparation of the Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to the material departures, if any.

b) The accounting policies have been consistently applied and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the Company for that period.

c) Proper and sufficient care was taken 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.

d) The accounts have been prepared on a going concern basis.

11. FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposit from the public during the year under review.

12. INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial.

13. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There is no transfer to Investor Education and Protection Fund

14. PARTICULARS OF EMPLOYEES u/s.217(2A)

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made there under is given in the Annexure to this Report and forms part of the Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company for the same.

15. DISCLOSURE U/s217(1)(E)

Technology Absorption, Adaptation and Innovation

As the company has not carried on any manufacturing activity, reporting under sec 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1998 with regards to conservation of energy and technology absorption doesn't arise.

16. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In lakhs)

Particulars	31.03.2013	31.03.2012
Foreign Exchange		
i) Earnings in Foreign Exchange	35.55	24.46
ii) Expenditure in Foreign Exchange		
a) Subscription	0.32	0.28
b) Travelling Expenses	6.98	31.63
c) Professional Charges	43.85	106.44
d) Import of Materials / Equipments(CIF value)	1653.71	3240.80
e) Reimbursement of expenses to member of Herve Pomerleau International CCCL Joint Venture	6.37	27.59
f) Amount remitted towards profit share to the member of Consortium as per Consortium	144.88	860.85
g) Overseas branch expenses	239.26	87.13
h) Buyers Credit Interest	37.55	-
i) Bank charges	6.24	-
j) Licence fee	-	5.62

17. MANAGEMENT DISCUSSION ANALYSIS

For detailed operational review kindly refer to Management Discussion Analysis and the Report on Corporate Goverence, which forms part of this Annual Report.

18. AUDITORS

The Board recommends the retiring auditors M/s. ASA & Associates be reappointed as statutory auditors for the Financial Year 2013-2014. A certificate from the ASA & Associates has been received to the effect that their appointment if made would be within the limits prescribed under section 224(1B) of the Companies Act 1956.

19. AUDITORS' REPORT

The Auditors' Report to the shareholders on the Accounts of the Company for the financial year ended March 31, 2013 does not contain any qualification.

20. CORPORATE SOCIAL RESPONSIBILITY.

CCCL in sponsorship with the Medical Research Centre and Voluntary health organization conducted blood donation camps at various sites on various occasions and events.

Free medical health checkup in association with local medical fraternity at various sites were conducted. Large number of general workers and public were covered under this free medical heath checkup.

CCCL project team at all sites has set up a Child care centre at their labour camp to take care of the wards of migrated workers working in their site. At this child care centre, the wards of workers living in the labour camp are provided elementary learning facilities and refreshments.

21. ACKNOWLEDGEMENTS

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders - Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board

Place: Chennai
Date : August 12, 2013

R.Sarabeswar
Chairman

ANNEXURE – I

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

(₹ In lakhs)

Name of the subsidiary company	**Consolidated Interiors Limited (CIL)**	**CCCL Infrastructure Ltd.**	**Noble Consolidated Glazings Ltd.**	**CCCL Pearl City Food Port SEZ Ltd.**	**CCCL Power Infrastructure Ltd.**	**Delhi South Extension Car Park Ltd.**
The Financial year of the subsidiary company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
Number of shares held and extent of holding thereof by the holding company, at the above date :						
a) The number of equity shares of ₹ 10/- each fully paid	6778450	22910006	1650006	50000	50000	4500000
b) Extent of holding in percentage terms	100%	100%	100%	100%	100%	100%
The net aggregate profits or (losses) of the subsidiary company for the current financial year so far as it concerns the member of the holding company						
a) Dealt with or provided in the accounts of the holding company						
b) Not dealt with or provided in the accounts of the holding company	₹ (834.05)	₹ (664.05)	₹ (442.65)	₹ (162.50)	₹ (53.15)	₹ (0.95)
The net aggregate profits or (losses) of the subsidiary company for the previous financial year so far as it concerns the member of the holding company						
a) Dealt with or provided in the accounts of the holding company						
b) Not dealt with of provided in the accounts of the holding company	₹ (906.21)	₹ 221.99	₹ 156.25	₹ (3.79)	₹ (400.88)	₹ (1.23)

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL ECONOMIC SCENARIO

As per the Current Affairs Business news the IMF has projected world economic growth rate at 3.1% for 2013 and 3.8% for 2014 due to slower economic recovery process. The IMF has also predicated that the overall growth rate in the developing countries would be around 5% as it lowered the forecast for growth rates in the BRICS nations.

India's GDP grew by 4.8% in the fourth quarter of previous financial year 2012-2013 which is slightly higher compared to previous quarter GDP growth of 4.74%. For the previous financial year FY 2013, yearly GDP growth stood at 5% which is the lowest GDP growth in the last decade .Growth for construction sector stood at 4.4% in Q4 of FY 2013 compared to 5.1% year on year.

Unfortunately, the economic slowdown has been in an inflationary environment, where the Reserve Bank of India (RBI) has maintained tight monetary policy leading to high domestic interest rates. This environment of slowing growth, high inflation and high interest rates was a complete dampener for investor confidence and new capital formation took a further hit.

The infrastructure and construction sector which is the second largest employer after the agricultural sector, was affected severely during the current fiscal year due to slower project execution, project delays, liquidity issues , longer working capital cycle etc.

COMPANY SCENARIO

Performance Highlights

Company began the current financial year with an order book which stood at Rs .3,39,420 Lacs. The size and structure of the organisation was geared for catering to take up larger projects but with economic slowdown and lower order booking coupled with slower project execution, the asset base and the fixed cost structure which was built up, affected the company's profitability.

The lower turnover and operating margins in an environment of high interest costs severely affected the Company's profitability. In addition, litigation and non payments of claims adversely affected the Company's liquidity.

Company's revenue growth and profitability was muted in the last few quarters due to order execution-related issues. CCCL's revenue declined in FY 2013 due to slowdown in order execution. Delay due to exogenous factors such as delay in procuring environmental approvals, land acquisition and government decision making, have adversely affected performance. Delayed project execution has in turn affected payment from clients and the Company's cash flows. The year under review has seen enhanced working capital requirements. This has been due to clients delaying payments. Amounts due from clients have shot up to ₹ 59,165 Lacs (including retention of ₹ 18,362 Lacs) as the recovery has been slow. In certain cases we have initiated legal action for recovering these dues. Dues from clients for completed major projects to the tune of ₹ 5,980 Lacs has added to liquidity crunch.

The Infrastructure sector is facing strong headwinds, including slowdown in order booking caused by shortfall in investments in the infrastructure sector, increased commodity prices and high interest rate scenario. As a consequence of certain unexpected developments which were beyond the control of management, mainly delays in decision making by the Company's major clients and delays in settlement of claims, the expected cash flows have not materialized for the Company. These factors coupled with slowdown in Infrastructure industry has resulted in lower turnover, lower operating margins and high interest costs for the Company which has consequently led the Company to incur net loss for the first time since its inception.

STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT:

Company has taken view of all these factors seriously and to overcome the above challenges, has proactively undertaken the following steps directed at improving its operational efficiencies:

Claims Realisation: Persistent efforts are being made by the Company to collect dues and claims. The Company has set up a strategic senior management team to recover dues and claims outstanding from Clients.Total outstanding as of 31st March is ₹ 70,424.99 lacs (including retention of ₹ 17,827.93 lacs). Over due outstanding more than 180 day is ₹ 25,939.59.

Cost optimisation: Over the past 12 months, Company has implemented cost optimization measures such as cutting overheads and rationalisation of human resources. These internal cost cutting has brought down the overhead cost to the tune of ₹ 24.00 crores per annum.

Reduction in Working Capital: Insistence on higher advances from customers and better credit terms with suppliers are being negotiated .

Monetisation of assets: Company is proactively exploring monetisation of assets either at the parent level or in its subsidiaries / step down subsidiaries.

Bidding for Jobs : The Company has been careful in bidding for new jobs and is taking jobs only on a selective basis to ensure adequate margins on the job's its executes.

CAUTIONARY STATEMENT

It is explicitly stated that some of the statements in the Management Discussion and Analysis report are likely to be forward looking and it may so happen that the actual events or results may differ from what the Board of Directors/ Management perceive in terms of the future performance and outlook due to factors having a bearing on them and which are beyond precise perception. Company's operations may be affected with supply and demand situations, input prices and their availability, changes in government regulations and policies, tax laws and other factors such as Industrial relations, fund constraints and macro economic development.

For and on behalf of the Board

Place: Chennai
Date : August 12, 2013

R.Sarabeswar
Chairman