

CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED

# 20th

## ANNUAL REPORT 2016-2017



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We build relationship



"TVH Quadrant – Multistoried" for True value Homes (I) Pvt Ltd, LB Road, Adyar, Chennai



"Training Centre" for Bharat Electronics Ltd, BE Estate, Bangalore



## **BOARD OF DIRECTORS**

**R Sarabeswar**

*Chairman & Chief Executive Officer*

**S Sivaramakrishnan**

*Managing Director*

**V G Janarthanam**

*Director(Operations)*

**P Venkatesh**

*Independent Director*

**Jayaram Rangan**

*Independent Director*

**Dr. P K Aravindan**

*Independent Director*

**Mrs. Hastha Shivaramakrishnan**

*Independent Director*

**Raja Kumar KEC**

*(Nominee Director of UTI Venture Funds  
Management Company Private Limited)*

**Ranjit Goswami**

*(Nominee Director of SBI)*

### **CHIEF FINANCIAL OFFICER and COMPANY SECRETARY**

**R. Siddharth**

### **COMPANY SECRETARY IN PRACTICE**

**N. Balachandran**

### **AUDITORS**

**ASA & Associates LLP**

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.**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032 Ph : 91-40-6716 1563

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## **NOTICE OF 20th ANNUAL GENERAL MEETING OF CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED**

Notice is hereby given that Twentieth Annual General Meeting of M/s. Consolidated Construction Consortium Limited will be held on **Tuesday, the 26th September, 2017 at 02.45 P.M at Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai (OMR), Navalur, Chennai-603103** to transact the following businesses:

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at **31st March, 2017** and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of **Shri. S. Sivaramakrishnan, Managing Director, (holding DIN 00431791)** who retires by rotation in terms of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 3) To appoint the statutory auditors of the company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendation of the audit committee of the Board of Directors, **M/s. Sundar, Srini & Sridhar, Chartered Accountants, Chennai having Firm Registration Number 004201S** who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and is hereby appointed as Statutory

Auditors of the Company to hold office for a term of 5 years from the conclusion of this Annual General Meeting until the conclusion of the 21st Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

### **SPECIAL BUSINESS:**

- 4) To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

#### **RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR THE FINANCIAL YEAR 2017-18:**

“RESOLVED THAT pursuant to the provisions of sections 141, 148 and other applicable provisions, if any of the Companies Act, 2013 and rules made there under and subject to such guidelines and approvals as may be required from the Central Government, the company hereby approves and ratifies the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes and out of pocket expenses payable to M/s. SS & Associates, Cost Accountants, Chennai having Firm Registration Number : 000513, who was appointed as Cost Auditors of the Company for the Financial Year 2017-18.”

By Order of the Board

Place: Chennai  
Date : August 22, 2017

R.Siddharth  
CFO cum Company Secretary



## NOTES

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy forms, in order to be valid should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members/Proxies should bring the Attendance slip duly filed in for attending the meeting along with their copy of the Annual Report.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
5. Details under Regulation of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting are enclosed and form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment
6. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. Members are advised to quote the Registered Folio Numbers/ DPID & client ID Number in all correspondence with the company.
8. All documents referred to in the above notice and statement is open for inspection at the Registered Office of the company between 10.30 a.m. to 1.00 P.M on all working days.
9. The Register of Members and Share Transfer books of the company shall remain closed from 20th September 2017 to 26th September, 2017 (both days inclusive).
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. Members are requested to contact the Registrar and Transfer Agent (RTA) for all matters relating to Company's shares at:  
**M/s. Karvy Computer Share Private Limited,**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
12. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents to facilitate better services:
  - (i) Any change in their address, mandates, and Bank details.
  - (ii) Share certificates held in multiple accounts names or joint names in the same order of names for consolidation of such shareholding into one account.
13. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent of the Company, immediately on the change in their residential status on return to India for Permanent settlement together with the particulars of their Bank Account maintained in India with complete Name, Branch, Account type, account number and address of the Bank with PIN code number if not furnished earlier.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. We propose to send all documents including Annual Reports in electronic form to the Members on the email address provided by them to the Company/ RTA / Depositories. The Members holding shares in physical form are requested to intimate/update the email address to the Company/RTA, while those holding in demat form can intimate/update their email address to their respective Depository Participants.
18. Members are entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail upon receipt of a requisition from them.
19. Full version of the Report and the Notice of the AGM are available in the Company's website viz., **www.ccclindia.com**.



20. Pursuant to the stipulations in Regulation of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 read with Section 108 of the Companies Act 2013 and the relevant Rules, the Company is pleased to offer e-voting facility, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with M/s Karvy Computer Share Private Limited for facilitating e-voting to enable the Shareholders to cast their votes electronically.
21. The Company has appointed Mr. N. Balachandran, Company Secretary in Practice [M.No .5113], as Scrutinizer for conducting the e-voting process in a transparent manner.
22. In terms of the Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 19, 2017 i.e. the cut-off date taken by the Company for the purpose of e-voting.
23. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members is irrelevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.
24. **Members may note that due to the current financial strained situation of the Company, the practice of distribution of packed items is being discontinued.**
25. **The information relating to E-voting along with event number, user ID and password is enclosed as a separate form to the Notice.**

By Order of the Board

Place: Chennai  
Date : August 22, 2017

R.Siddharth  
CFO cum Company Secretary

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statements sets out all material facts relating to the special business mentioned in the accompanying notice:

### ITEM NO.4:

#### **RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR THE FINANCIAL YEAR 2017-18:**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records maintained by the Company.

On the recommendation of the Audit Committee, the Board has considered and approved the appointment of **M/s. SS & Associates, Cost Accountants, Chennai** having Firm Registration Number: 000513 as the Cost Auditor for the financial year **2017-18** at a remuneration of **Rs.75,000/-** (Rupees Seventy Five Thousand Only) per annum plus applicable taxes, out of pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors and the Auditors.

#### **DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT 20TH AGM**

##### **Profile of Mr. S. Sivaramakrishnan**

Name	Mr. S. Sivaramakrishnan
Father's Name	Mr. Subramoney
Age	63 Years
Expertise in Specific functional area	Construction and Civil industry
Background Details	Mr. S. Sivaramakrishnan. Is our promoter and Managing Director. Mr. S. Sivaramakrishnan has bachelor's degree in civil engineering from the Coimbatore Institute of Technology, University of Madras, Coimbatore and was a gold medallist and holds a post graduate degree in structural engineering from College of Engineering Guindy, Chennai and holds a Masters Degree in Business Administration from the University of



Madras. Mr. S. Sivaramakrishnan has over 30 years of experience in the construction sector and has served as Engineer with the ECC division of Larsen and Toubro Limited and the Design Department of SPIC Limited. Mr. S. Sivaramakrishnan has been associated with our Company since inception and is currently responsible for the overall administration of our Company

Other Company Directorship

CCCL Infrastructure Limited  
Noble consolidated and Glazing's Ltd  
CCCL Power Infrastructure Ltd  
CCCL Pearl City Food Port SEZ Ltd  
Delhi South Extension Car Park Limited  
Yuga Homes Limited  
Consolidated Interiors Limited

Chairmanship & Membership of other Committees of the Board

Member of Share Transfer Committee, Executive Committee, Risk Management, CSR Committee and Allotment Committee

No of Shares

20816129

Relationship between Directors Inter-se

Nil

By Order of the Board

Place: Chennai  
Date : August 22, 2017

R.Siddharth  
CFO cum Company Secretary

### **ROUTE MAP TO THE VENUE OF THE AGM**

**Hotel Gokulam Park Sabari**  
No. 33, Rajiv Gandhi Salai (OMR), Navalur, Chennai - 603103  
Tamil Nadu, INDIA





## DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

To  
The Members

The Directors of the Company present to you the 20th Annual Report of the Company, together with the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ending on 31st March, 2017.

### 1. FINANCIAL RESULTS

(in ` crores)

The Financial Results of the Company for the year under review is summarized below for your perusal and consideration.

Particulars	2016-17	2015-16
NET REVENUE	583.51	402.20
PROFIT BEFORE TAX AND DEPRECIATION	(123.69)	(159.15)
PROFIT/(LOSS) BEFORE TAX (PBT)	(133.95)	(170.76)
PROVISION FOR CURRENT TAX	-	-
TAX EXPENSE	-	-
PROFIT AFTER TAXES/(LOSS) (PAT)	(133.95)	(172.92)

#### 1.1 Financial Performance

The Company has achieved Net sales of Rs. 583.51/- Crores for the year ended 31st March, 2017 as compared to Rs.402.20/- Crores in the previous year.

The Company has incurred a Net loss of Rs. 133.95/- Crores as against a loss after taxes of Rs. 172.92/- Crores in the previous year. The losses are attributable to some extent due to high input costs, irregular supply of raw materials, unfavourable market conditions and to a large extent due to high finance cost.

#### 1.2 Sustainable Structuring of Stressed Assets (S4A)

The Company had availed certain financial facilities ("**Facilities**") on **March 28, 2014** under the Reserve Bank of India Corporate Debt Restructuring ("**CDR**") mechanism whereby the debt obligations of the Company were restructured on the terms and conditions set out in the Master Restructuring Agreement executed amongst SBI bank (as the Monitoring Institution), the Lenders and the Company.

Despite availing the restructuring of the Facilities under the CDR mechanism, the Company was facing liquidity issues and the challenges in debt servicing due to inter alia slower than envisaged recovery in the economy and infrastructure sector and increased interest cost for the Company due to increase in working capital requirement and non-relaxation of claim /receivables. This has resulted in a gap of cash flow timing mismatch between claims realization (including interest) and debt servicing. If such cash gap is left unaddressed, the company will face challenges in the execution of its order book and also in servicing of its debt.

Accordingly, in order to bridge the aforementioned cash flow timing mismatch, the Lenders deliberated various solutions to address the aforementioned liquidity issues and recommended the Scheme for Sustainable Structuring of Stressed Assets ("**S4A Scheme**") introduced by the Reserve Bank of India ("**RBI**") pursuant to its circular dated June 13, 2016 and as amended further on November 10, 2016 ("**S4A Circulars**").

The Lenders in their Lender's Forum meeting ("**JLF**") deliberated on the various options and agreed to explore the recommendation of the Monitoring Committee for implementing the S4A scheme for the Company. Pursuant to the JLF, the Lenders decided to adopt the S4A scheme with the Reference date as November 11, 2016 and the JLM agreed to convert part of their entire debt exposure under unsustainable portion (Part B Debt of CCCL S4A scheme") to Optionally Convertible Debentures(OCD'S) ("**S4A Securities**") towards implementation of the S4A scheme and the same was approved by Overseeing Committee constituted by RBI (OC) on May 02, 2017 ("**CCCL S4A Scheme/Scheme**").

Pursuant to the Implementation of the S4A Scheme and in accordance with and as specified in the financing documents executed by the Company with, inter alia, th e Lenders (hereinafter referred to as the "**S4A Agreements/S4A Documents**"), the shareholders through postal ballot approved the offer and issue of Optionally Convertible Debentures (OCD's)of face value Rs. 1000 each on Preferential Basis, to the Lenders as per applicable laws and extant regulations, based on the respective Lender's subscription for the securities of the Company.

As per the terms of the S4A Agreements executed between Company and the Lenders, in respect of Lenders who had completed the process of conversion of debt into OCD's of the Company under the CCCL S4A scheme, and in accordance with the shareholders approval through postal ballot of the Company, the Company has issued and allotted Optionally Convertible Debentures (OCD's) of face value Rs.1000 each, in aggregate, for an amount aggregating Rs. 579.55 crore to 5



Lenders under the CCCL S4A Scheme, on June 21, 2017 in accordance with chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) and section 42, 62 and 71 of the Companies Act, 2013 and the rules made thereunder.

As per the CCCL S4A scheme, promoters have volunteered to transfer the already pledged equity shares in favour of Lenders to the tune of 30237602 shares of Rs2/- each to comply with the CCCL S4A scheme resulting in the change of promoters shareholding to that extent. Though the conversion of debt into equity was available in the S4A scheme of RBI, the Promoters volunteered and agreed to dilute their stakes alone as mentioned above in the interest of the Company and the other stake holders as a whole.

The S4A Scheme was successfully implemented for the Company as all the lenders participated in the scheme and thereupon Company has made the allotment of OCD's to the respective Lenders.

The break up of allotment of OCD's are as follows

Name of the Lender	Amount in Rs. Part B Debt	No of OCD's of Face Value Rs.1000/- Each
SBI	317,75,00,000/-	31,77,500
ICICI	16,29,00,000/-	1,62,900
IDBI	97,87,00,000/-	9,78,700
BOB	135,60,00,000/-	13,56,000
TCFSL	12,04,00,000/-	1,20,400
Total	579,55,00,000/-	57,95,500

## 2. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 is Rs. 79.70/- Crores. During the year under report, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

## 3. DIVIDEND

Your Directors have not recommended any dividend for the financial year 2016-17 in view of the losses incurred and the need to conserve resources of the Company.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### CONSTRUCTION INDUSTRY OUTLOOK:

#### Construction Industry Overview

With 2016 in the rearview mirror, construction professionals are turning their attention to the year ahead. While construction spending failed to meet analyst expectations last year, economists predict 5% growth in the value of starts in 2017, according to Dodge Data & Analytics. Despite that positive forecast, a feeling of uncertainty continues to loom over the industry. We spoke with experts from various sectors of the construction sector to find out their predictions for 2017. While questions regarding what the incoming Trump administration means for construction dominated the conversation, they also described the new technologies, project delivery methods and workforce management trends they expect to shape the industry this year. Here are the top 7 trends to watch in 2017:

1. Collaborative project delivery methods will become more popular
2. The labor shortage will continue to plague the industry
3. The feeling of uncertainty will linger under the new administration
4. Offsite/modular construction will gain a stronger foothold in the market
5. Construction firms are cautiously optimistic for a future infrastructure spending boost.
6. Construction costs will rise due to materials and labor
7. Construction firms will face increased scrutiny and prosecution of safety and fraud incidents

### Indian Construction Industry Outlook

#### Bright prospects for construction industry in India

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.



Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to March 2017 stood at US\$ 24.3 billion, according to the Department of Industrial Policy and Promotion (DIPP).

India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- The infrastructure sector in India witnessed 33 deals in FY 2016-17 involving US\$ 3.49 billion as against US\$ 2.98 billion raised across 31 deals in FY 2015-16, with the majority of deals led by the power, roads and renewable sectors, as per investment bank Equirus Capital.
- Meinhardt Group, an engineering company based in Singapore, plans to establish its position in India as it targets the next wave of India's urban development to meet the country's development needs.
- UAE-based firm, DP World, having previously invested US\$ 1 billion in India, is planning to invest another US\$ 1 billion in India's infrastructure sector along with logistics and container terminals, stated Mr Sultan Ahmed bin Sulayem, Chief Executive Officer (CEO), DP World.
- I Squared Capital, a global infrastructure investment company, plans to raise up to US\$ 4 billion through its second infrastructure fund, which will be invested in infrastructure assets in India and across the globe.
- Infrastructure Leasing and Financial Services Ltd (IL&FS) and global private equity (PE) firm Lone Star plan to jointly invest US\$ 550 million in stressed infrastructure projects in India.

#### **Infrastructure construction to pick up**

The total plan expenditure for key infrastructure-focused sectors grew at a muted compound annual growth rate (CAGR) of 1% during fiscal 2012-14 while it is expected at 21% CAGR during fiscal 2015-17, wrote Vijay Goel, an analyst at Karvy Stock Broking in a 3 January report. The key infrastructure-focused sectors like roads, highways and urban development have seen a significant increase in allocation post fiscal 2013-14 (42-44% CAGR during FY15-17E vs. 2-3% CAGR during FY12-14). Increase in investments in these sectors would drive the order inflows for construction companies, he said. **"We maintain our positive view on Indian construction sector as we believe that order inflows momentum to continue with the environment turning more conducive for execution of projects," wrote Goel.**

Sales were weighed down by the impact of demonetization, cumulative sales have been impressive at most companies.

The construction sector GDP is expected to grow at 2.9% in the current fiscal against an earlier estimated 3.9% owing to the likely adverse effect of demonetisation on the real estate sector involving residential and commercial properties, said CARE Ratings Research in a report.

"The country's expanding population and urbanisation will continue to generate a need for infrastructure development. To improve trade competitiveness and cope with the population growth, the government is focusing more on infrastructure development, which is expected to result in regular investments in the maintenance and expansion of road infrastructure in the near future,"

The introduction of **"RERA Act"** has increased the faith on the Construction Companies and because of which there prevails a positive environment in buyers buying properties from Construction Companies.

#### **Residential and Commercial Construction to dominate the industry**

Despite facing challenging infrastructure deficit in the country aided by resource crunch, debt-laden firms and stressed assets, highways construction and cargo exports registered impressive growth in the first half of FY2017.

Highways construction/ widening was one area that witnessed about 10 per cent growth in the first half of the current fiscal whereas, power generation saw a little over 6 per cent increase and rail freight traffic recorded about 2 per cent growth, as per the Survey which was tabled in the Parliament today.

"On logistics, India is handicapped relative to competitors in a number of ways," the Survey mentioned indicating that the costs and time involved in getting goods from factory to destination is greater here compared to other nations despite advantages of cheaper labour.

On resource crunch faced by companies especially in the infrastructure sector, the Survey states that the companies faced debt-restructuring due to higher costs, lower revenues, greater financing costs till a few years back.

Residential construction was the largest market in the Indian construction industry during 2011-2015, and is anticipated to remain relatively sizeable over the next five years, with a 30.6% share of the industry's total value in 2020. Construction activity in the residential market will be supported by rapid urbanization, population growth, and positive developments in regional



economic conditions. Government efforts to clear slum areas by 2022 and reduce the country's housing deficit will also help the market grow.

### **Provisions for Infrastructure sector in Budget 2017-18**

Budget boost to infrastructure sector with record Rs 3.96 lakh crore allocation

The Union Budget 2017 has given a major push to the infrastructure sector. For 2017-18, the total capital and development expenditure of Railways has been pegged at Rs 1,31,000 crore. This includes Rs 55,000 crore provided by the government from the Budget."

The finance minister provided Rs 2,41,387 crore for the transport sector as a whole, including railways, road and shipping. For highways, the budget allocation has been stepped up to Rs 64,000 crore in FY18 from Rs 57,676 crore.

In the road sector, the budget allocation for the National Highways has been increased from Rs 57,676 crore in the BE of 2016-17 to Rs 64,000 crore in 2017-18.

### **Investments & Government Initiatives: International payment**

#### **International investment**

#### **Construction Development:**

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India.

The Indian government's favourable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defence, PSU oil refineries, telecom, power exchanges, and stock exchanges, among others.

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received during April 2016-March 2017 rose 8 per cent year-on-year to US\$ 60.08 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

During April 2016-March 2017, India received the maximum FDI equity inflows from Mauritius (US\$ 15.73 billion), followed by Singapore (US\$ 8.71 billion), Japan (US\$ 4.71 billion), Netherlands (US\$ 3.37 billion), and USA (US\$ 2.38 billion).

The Union Cabinet has approved raising of bonds worth Rs 2,360 crore (US\$ 365.63 million) by the Indian Renewable Energy Development Agency (IREDA), which will be used in various renewable energy projects in FY 2017-18.

The Government of India plans to scrap the Foreign Investment Promotion Board (FIPB), which would enable the foreign investment proposals requiring government approval to be cleared by the ministries concerned, and thereby improve the ease of doing business in the country. The Government of India has approved 100 per cent foreign direct investment (FDI) in other financial services carried out by non-banking finance companies (NBFCs), which is expected to attract more foreign capital into the country. The National Highways Authority of India (NHAI) plans to offer a risk cover to foreign investors who are willing to invest in government owned operational national highways, which would cover risk associated with the possibility of structural design fault, sub-standard quality of construction, and loss of traffic. The Department of Industrial Policy and Promotion (DIPP) has allowed 100 per cent foreign direct investment (FDI) in asset reconstruction companies (ARC) under automatic route, which will help to tackle the issue of declining asset quality of banks.

India will require around US\$ 1 trillion in the 12th Five-Year Plan (2012-17), to fund infrastructure growth covering sectors such as highways, ports and airways. This would require support from FDI flows. India's growth rate, along with competitive location in terms of wages and policies like Stand Up India, is expected to boost FDI in the coming future.

Exchange Rate Used: INR 1 = US\$ 0.01549 as on May 31, 2017.

#### **Government Initiatives**

The Road Transport & Highways Ministry has invested around Rs 3.17 trillion (US\$ 47.7 billion), while the Shipping Ministry has invested around Rs 80,000 crores (US\$ 12.0 billion) in the past two and a half years for building world class highways and shipping infrastructure in the country. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.

The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.



- In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.
- Increased total infrastructure outlay and defence capital expenditure by 10 per cent and 20.6 per cent to Rs 396,135 crore (US\$ 59.18 billion) and Rs 86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
- Affordable housing has been given infrastructure status.
- Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years
- The Union Cabinet, Government of India, has allowed state government agencies to borrow money from bilateral agencies in other countries to fund its infrastructure projects, in a bid to improve the funding options for infrastructure projects in the country.
- Mr Venkaiah Naidu, Minister of Housing and Urban Poverty Alleviation, Government of India, launched 352 affordable housing projects worth Rs 38,000 crore (US\$ 5.9 billion) in 53 cities across 17 states for building over 200,000 houses costing Rs 18 lakh (US\$ 27,948) per house on average.
- “Pradhan Mantri Awas Yojana scheme is picking up pace by which affordable housing will be made available to EWS category. “Pradhan Mantri Awas Yojana – Housing for All (Urban)” Mission for urban area will be implemented during 2015-2022 and this Mission will provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/beneficiaries by 2022.
- Airports Authority of India (AAI) plans to increase its capital expenditure for 2017-18 by 25 per cent to Rs 2,500 crore (US\$ 0.37 billion), primarily to expand capacity at 12 airports to accommodate increase air traffic, as per the Chairman of AAI

#### **Challenges:**

#### **Risks / Current challenges in infrastructure development in India**

The progress of infrastructure development has not been smooth in the recent years, with significant shortfalls in planned investments. This problem is compounded by the fact that many of the announced projects are yet to be completed, with large time and cost overruns. Figures sourced from Government reports reveal that nearly 276 projects out of 566 projects tracked by Ministry of Statistics and Programme Implementation have been delayed. Some estimates of Ministry of Finance peg the worth of delayed projects, due to pending approvals, at ~ INR 1 lakh Crore.

#### **Future growth areas for the sector**

The infrastructure sector in India has evolved from purely Government funded projects to newer business models involving partial or complete ownership of the private sector. Currently, the infrastructure sector is in a state of flux, with the sector being hit by slowdown in the economy and strain being faced by various infrastructure developers. Going ahead, the sector is poised to bounce back with new opportunities. But growth of the infrastructure sector is dependent on solving some key challenges related to reducing regulatory uncertainty, developing appropriate financing mechanisms and ensuring efficient project management (from bid to execution).

#### **Future Outlook of the Industry**

#### **LOOKING BACK**

There has been a growing emphasis on infrastructure development in the post liberalisation era. This is in stark contrast to previous years where there was little emphasis on infrastructure asset creation, with government being both facilitator and provider of infrastructure. But this situation has undergone a change in recent years, with an increased focus on infrastructure development. The start of the last decade has witnessed increased investments in infrastructure sector, accompanied by a transformation in the business models with more proactive participation from private sector in the form of Public-Private-Partnership (PPP) projects, particularly in roads and power sector.

#### **LOOKING FORWARD**

The proposed investment over the next five years are ~ INR 56,00,000 Cr, with nearly half expected to come from private players. While sectors like road and power are expected to attract a large share of the proposed investments, newer opportunities are likely to appear over the next few years. One of the examples of a large planned infrastructure development is the Delhi-Mumbai Industrial Corridor, envisaged to accommodate large industrial zones, development of smart cities and creation of logistics network. Opportunities are also expected to arise in the area of urban infrastructure development, such as large urban transport and water supply projects in urban cities, driven by the rapid pace of urbanization.

#### **Imperatives for Future Infrastructure Development**

But for the aforementioned forecasts to materialize, the sector requires significant intervention accompanied by an overhaul of the current way of doing business across the various participants – Developers, EPC players, Government etc. Although the



current economic scenario has slowed down the development of the sector, government would need to explore ways of keeping the sector moving. Government has made some progress on key issues, but much still needs to be done. There have been mixed reactions to Land Acquisition Bill, with some viewing it as potential cost escalation, while others treating it as a tool for improved transparency on the subject. Another area that needs urgent Government action is the need for improved access to key natural resources like coal and iron. But for the sector to rebound in the coming years, there is a need for decisive action and support over four broad areas.

- I. Reduction of regulatory uncertainty and delays
- II. Appropriate Structuring of projects
- III. Developing financing mechanisms to suit the sector's needs
- IV. Efficient project management (from bid to execution)
- V. The Introduction of new "**Arbitration Act 2016**", which envisages payment of arbitral award within a period of 365 days which will benefit the infrastructure Companies in realizing the claims faster.

## **CCCL COMPANY SCENARIO**

### **Performance Highlights**

In an adverse environment the company has bagged new orders to the tune of Rs. 32728/- Lakhs and has successfully executed the projects.

Company began the current financial year with an order book which stood at Rs .65096/- Lakhs. 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, 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 2016-2017 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 Rs. 967.43/-crores ( including retention of Rs.128.25/- Crores.) 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 Rs.92.74/- crores 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 fifth 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 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 2017 is Rs.96743.57/- lakhs (including retention of Rs.12824.79/- lakhs).Over due outstanding more than 180 days is Rs.22932.42/- Lakhs.

**Cost optimization:** Over the past 12 months, Company has implemented cost optimization measures such as cutting overheads and rationalization of human resources.

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

No commingling of funds across projects and strict discipline on this will be implemented using a project passbook scheme.

**Monetization of assets:** Company is proactively exploring monetization 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.



## CAUTIONARY STATEMENT

It is explicitly states 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.

## UNLOCKING INVESTMENTS IN SUBSIDIARIES

Particulars of Loans and Advances in the nature of loans as required under Listing Regulations.

(Rs. In Lacs)

Sl.No.	Name of the Company	Balance as on		Maximum outstanding	
		31.03.2017	31.03.2016	2016-17	2015-16
<b>A.</b>	<b>Subsidiaries</b>				
	Consolidated Interiors Limited	844.99	950.29	844.99	950.29
	Noble Consolidated Glazings Limited	1741.37	1741.36	1741.37	1741.36
	CCCL Infrastructure Limited	1179.45	1187.77	1179.45	1187.77
	CCCL Power Infrastructure Limited	599.55	597.73	599.55	597.73
	CCCL Pearl City Food Port SEZ Limited	129.03	129.86	129.03	129.86
	Delhi South Extension Car Park Limited	(215.38)	(215.38)	(215.38)	(215.38)

CCCL has made total investments of Rs.22.91 in its subsidiaries viz. CCCL Infra (Rs. 22.91 Crores). These investments are yet to yield returns. While the investment decision is sound, the execution of these businesses have faced various bottlenecks in the form of non- availability of working capital, un-favourable market conditions, other macroeconomic issues.

These have stressed the cash flows of the parent company, CCCL presently, we are in advanced discussions with various investors. Going forward, it is proposed to unlock their value by divesting majority equity stake in these companies.

## 5. SUBSIDIARIES

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular.

### (a) Consolidated Interiors Ltd:

The focus has been to complete the jobs on hand and wait for the right opportunities till the market stabilizes. Due to sluggishness in the environment there is not much headway with the progress. However, the situation is expected to improve in the near future.

### (b) Noble Consolidated Glazings Ltd. (NCGL)

The glazing market being a sub set of the construction industry, the various factors discussed above drastically affected the operations of NCGL. Completion of projects on hand and collection of receivables and optimization of costs had been the priority in 2015-16. With the much awaited economic stability expected in 2016-17 and the resultant market improvement better days are foreseen. The Company has streamlined its operations and expected to perform better in the near future

### (c) CCCL Infrastructure Ltd.

The Company is considered as non-core asset and as per S4A scheme the non-core asset is required to be sold to redeem the OCD's of Lenders to that extent. The Company is seriously negotiating for sale of non-core asset which might materialize soon.

### (c)(i) CCCL Pearl city Food port SEZ Ltd.

As this is a subsidiary of CCCL Infrastructure Ltd. the Company also forms part of non-core asset which is required to be sold to redeem the OCD's of Lenders to that extent.

### (d) Delhi South Extension Car Park Ltd.

The Concession fee paid to Delhi Municipal Corporation has been refunded in view of project cancellation. The company has certain claims against Delhi Municipal Corporation for the cancellation. The same is under consideration by Delhi Municipal Corporation.



### (e) CCCL Power Infrastructure Limited

Though the Power sector has seen a fall in the recent years, the Company has strived to perform to its full potential, but due to various factors the Company struggled to perform to the mark. However, electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. The Government of India's focus on attaining '**POWER FOR ALL**' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides. The Company is eyeing a positive trend in the coming years and is optimistic of a revival to this sector.

The Company has streamlined its operations and expected to perform better in the near future. A Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures in **Form AOC-1** is annexed to this report as "**Annexure A**".

## 6. OPPORTUNITIES

### **Measures:**

Total outlay of Rs3,96,135 crore on infrastructure is up by 10% over FY17 revised estimate.

Capital expenditure on defence is expected to increase by 20.6% to Rs86,488 crore.

Roads and highways allocation up to Rs64,900 crore from Rs52,447 crore revised estimate. Rural roads construction work to accelerate to 133 km/day in 2016-17 from 73 km/day in 2011-14.

Affordable housing has been given infrastructure status and tax incentives have been given, too. Lock-in period for long-term capital gains on land and buildings reduced from three to two years.

### **Impact:**

Better days ahead for road construction firms by way of fresh tenders and road projects.

Incentives for affordable housing can step up supply and rational prices and lower finance cost can improve project viability.

Cement and steel sector should do well if infrastructure does well.

The Government's initiative for concrete roads have gained momentum and therefore the Company has got wide business prospects in the concrete roads sector. Construction opportunities have almost doubled for this period from the infrastructure projects lined up across various sub-segments of Power, Concrete Roads, Railways, Irrigation & water supply, Ports and Airports. There is a long-term demand for quality infrastructure construction, mainly emanating from housing, transportation and urban development segments that far exceed the supply, even though there has been a substantial increase in the number of contractors and builders, especially in housing and road construction segment.

## 7. THREAT PERCEPTION

### **Challenges:**

- Despite the prospects, the sector continues to face challenges from land acquisition issues, adverse political and structural changes, shortage of talent, design and constructability issues, and rising material and labor costs. However, the land acquisition and environment related issues are being addressed on war footing basis to ease the constraints.
- Policy bottlenecks, slow clearance of projects and rising inflation have dampened private sector sentiments and have stifled investments in Capital expenditure. A high level committee has been constituted for speedy clearance of stalled projects and monitoring the implementation.
- Working capital cycle has been elongated mainly due to stretched receivables, which has affected the cash flow position of the companies in the sector. Many of the companies have been forced to draw their full limits with the Banking system or restructure the facilities.
- Lengthy dispute resolution mechanism in the sector is yet another major factor affecting the cash flows of the construction companies. This coupled with rising interest rates have led to a drop in the PAT margin and deterioration of debt coverage ratios of construction companies.

## 8. RISK PERCEPTION

The Directors are constantly assessing the business risks pertaining to the performance of the Company. The following are the important risks perceptions:

- Quality Maintenance of the work.
- Adequate availability of Raw Materials
- Removal of Transport Bottlenecks
- Sudden Increase in Prices of Inputs
- Customers Default--



- Inadequacy of Finance Arrangement
- Statutory Policies
- Events Due to Unforeseen Circumstances
- Volatility in domestic construction environment.

Your Directors are fully conscious of the various business risks and have taken adequate care to tackle any situation. Strict controls are enforced on all matters for smooth operation of the projects

#### **9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has a sound internal control system. All transactions are subject to proper scrutiny. The Management takes immediate corrective action wherever it is being pointed out to help streamline the internal control process. The management shall ensure the effectiveness of the working of such policy.

#### **10. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements is provided in the Annual Report.

#### **11. HUMAN RESOURCES**

The Management envisions trained and motivated employees as the backbone of the Company. Special attention is given to recruit trained and experienced personnel in business development, finance and accounts. The Management strives to retain and improve employee morale. The Company has total staff strength of about 738 employees.

The Company has streamlined its manpower strength at the Chennai offices including the corporate head office. As a result of manpower rationalization exercise, the monthly payroll has been optimized. The decision for rationalization of labour has enabled the company to curtail fixed manpower costs. However, the core technical expert team is retained to guide the Company to achieve higher and efficient level of performance.

#### **CORPORATE GOVERNANCE**

The Directors pay special attention to ensure that the guidelines given for the corporate governance are strictly adhered to. All possible steps are taken to adhere to the requirements set out by SEBI Guidelines on Corporate Governance. The Company is also aligning itself to implement global corporate governance practices. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholder's expectations. At CCCL, it is imperative that the company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

A separate report on the Corporate Governance also forms part of the Annual Report. With regard to the Business Responsibility Report, the Company is not covered in the top 100 listed entities, based on the market capitalization at BSE & NSE, in terms of SEBI Circular CIR/CFD/DIL/8/2012 dated August 13, 2012.

#### **12. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) in compliance with the provisions under the Companies Act, 2013. The committee comprises of Mr.R.Sarabeswar as the Chairman, Mr.S.Sivaramakrishnan, Mr.Jayaram Rangan as its other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

Since the company is making losses for the past five years, CSR spend does not apply to the company for the financial year 2016-17. Hence submission of a report on CSR activities does not apply.

#### **13. SEXUAL HARASSMENT POLICY**

The Company had adopted the sexual harassment policy and subsequently also formed a committee for the same.

#### **14. DEPOSITORY SYSTEM / E-VOTING MECHANISM:**

The Company has entered into a Tripartite Agreement with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (I) Ltd (CSDL) along with Registrars M/s Karvy Computershare Pvt. Ltd, for providing electronic connectivity for dematerialization on the Company's shares facilitating the investors to hold the shares in electronic form and trade in those shares. The shares of your Company are being traded now on the Bombay Stock Exchange and National Stock Exchange under compulsory demat form. Further, in accordance with provisions stipulated under Companies Act, 2013, the facility of e-voting is also made available to all shareholders of the Company. The instructions regarding e-voting is enclosed along with this report. All shareholders are also requested to update their email ids with the Company or our RTA M/s. Karvy Computershare Pvt. Ltd.



## 15. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund. The details of the same are covered under the Corporate Governance Report.

## 16. AUDITORS

### STATUTORY AUDITORS

M/s. Sundar, Srini & Sridhar, Chartered Accountants, Chennai having firm registration number 004201S, Statutory Auditor hold office for a term of five years from the conclusion of 20th AGM to the conclusion of the 21st AGM and are eligible for appointment subject to ratification of members in the each Annual General Meeting.

Further, the company had received letters to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment. Your Board of Directors recommends their appointment as Statutory Auditors to hold office for a term of five years from the conclusion of the 20th AGM till the conclusion of the 21st AGM of the Company subject to ratification of members in the each Annual General Meeting.

## 17. AUDITORS REPORT AND MANAGEMENT'S RESPONSE TO AUDITORS OBSERVATIONS

The Auditors do not have any qualification in their report.

### INTERNAL AUDITOR

The Board has appointed Mr. R.M Devarajan , an employee of the Company as the Internal Auditor of the Company pursuant to Section 138 of Companies Act, 2013 and Rule No. 13 of The Companies (Accounts of Companies) Rules, 2014 for the financial year 2017-18.

Mr. R.M Devarajan is a qualified in Master of Business Administration having expertise in finance and Accounts. The Internal Audit would ensure that strong internal control mechanism is put in place in the Company as per the recommendations and guidance of Audit Committee.

### COST AUDITOR

The Board of Directors had appointed M/s SS & Associates (Firm Registration No 000513) as the Cost Auditors of the Company to audit the cost accounting records of the Company for the financial year 2017-18.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. N. Balachandran, Practising Company Secretary, Chennai to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit Report is annexed herewith as "Annexure B"

### MANAGEMENT'S RESPONSE TO SECRETARIAL AUDITOR'S OBSERVATIONS

1. Further Report that the company is not regular in depositing the statutory dues/of filing periodical return as relating to applicable with the appropriate authorities during the year under audit.
  - *Due to the delay in collection from clients, the Company could not deposit its statutory dues on time. However the Company has paid all statutory dues as of March 2017. In spite of the crippled situation the Company strives to comply with the statutory obligations on time. Efforts are being made to comply on time.*
2. Further Report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and in case of Independent Directors requires compliance.
  - *The Company needs to appoint a Independent Director on its Board due to the induction of a Nominee Director on the Board by the lenders. The Company is on serious look out now to appoint a Independent Director on Board. The appointment of Independent Director will be complied with at the earliest.*
3. Further report that the following points requires attention and are beyond my control
  - a. **Erosion of Net worth**
  - b. **Uncertainty on Recovery of Trade Receivables**
  - c. **Winding up petition preferred by various corporate bodies against the Company.**
  - d. **Loans extended requires compliance under section 186(7) of Companies Act, 2013.**
  - a. The net worth erosion has happened because of the continuous loss made by the Company. However the Company is hopeful of bringing the net worth positive in the coming years with the enhanced business opportunities.
  - b. The Company on day to day basis is closely following it up with the clients for the trade receivables. The Company is hopeful in recovering major dues in due course of time.
  - c. At present there are 3 winding up petitions filed against the Company to the tune of Rupees Three Crores. The Company is taking efforts to settle the same amicably with all the petitioners.



- d. The Company has not charged any interest for the loans extended to its subsidiary company as the subsidiary company is striving to revive and it becomes responsibility of the holding company to support the subsidiary companies to the maximum extent possible in its faster revival. Hence given the precarious situation any further interest burden to the Company will lead to greater deterioration of the Company.

## **18. DIRECTORS:**

The following changes have occurred in the Board of Directors during the financial year 2016-2017:

### **18.1 INDUCTIONS/ CHANGE IN DESIGNATION**

There was no change in the Board of Directors during the Financial Year 2016-2017.

### **18.2 DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015.

### **18.3 RESIGNATIONS**

There were no resignations from the Board of the Company.

### **18.4 RE-APPOINTMENTS**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum & Articles of Association of the Company, At the ensuing 20th Annual General Meeting, Shri. S.Sivaramakrishnan, Managing Director of the Company is liable to retire by rotation and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

The Companies Act, 2013, provides for the appointment of Independent Directors. Sub section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company.

Accordingly all Independent Directors were appointed by the shareholders at the General Meeting as required under Section 149(10) of the Companies Act 2013. Further, according to sub section (11) of Section 149 of the Companies Act 2013, no Independent Director shall be eligible for appointment for more than two consecutive terms of five years. Sub section (13) states that the provisions of retirement by rotation as defined in Sub section (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

None of the independent directors will retire at the ensuing Annual General Meeting.

### **18.5 BOARD EVALUATION**

Pursuant to the Regulation 17(6) (10) of SEBI (LODR) Regulations, 2015, the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

### **18.6 TRAINING OF INDEPENDENT DIRECTORS**

Every new Independent Director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors/senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

### **18.7 REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The Executive Directors have deferred their salaries till revival of the Company and all other remunerations paid to the Directors, Key Managerial Personnel and senior management personnel are as per the remuneration policy of the Company.

### **18.8 DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors, make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- (b) the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A statement containing the particulars relating to conservation of energy, research and development and technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 (3) (A), (3) (B) and 3 (A) (C) of The Companies (Accounts) Rules, 2014 is annexed to this report as “Annexure C”

## 20 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

## 21 PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of the employees of the company, is annexed to this report as “Annexure F”.

## 22 DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

## 23 MEETINGS

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## 24 COMMITTEES

Currently, the Board of Directors of the Company pursuant to the mandatory provisions of Companies Act, 2013 has the following committees namely:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Share Transfer Committee
- f) Risk Management committee

A detailed note on the Board and its committees along with the composition of the committees and compliances is provided under the Corporate Governance Report section in this Annual Report.

## 25 AUDIT COMMITTEE

Currently, the Company has an independent and qualified Audit Committee as per the provisions of Section 177 (8) of the Companies Act, 2013 and Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulation, 2015, the following is the current composition of Audit Committee:

Name of the Director	Status	Category
Mr.P.Venkatesh	Chairman	Non-Executive Independent Director
Mr. Jayaramrangan	Member	Non-Executive Independent Director
Dr. P.K.Aravindan	Member	Non-Executive Independent Director
Mr. K.E.C.Raja Kumar	Member	Non-Executive Nominee Director
Mrs. Hastha Shivaramkrishnan	Member	Non-Executive Independent Director

The Board has accepted all the recommendations provided by the Audit Committee.



## 26 VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

## 27 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Company is in the process of developing a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. Particulars of Contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure "D" to the Board's Report.

## 28 ENHANCING SHAREHOLDER VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly your company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your company is also committed to creating value for its other stakeholders by ensuring its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 29 EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure E".

## 30 GREEN INITIATIVES

During fiscal 2014-15, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. This year, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website, [www.ccclindia.com](http://www.ccclindia.com).

Electronic copies of the Annual Report 2016-17 and Notice of the 20th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2017 and the Notice of 20th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

## 31 ACKNOWLEDGEMENT

The Board of Directors of the Company wishes to express their deep sense of appreciation and offer their sincere thanks to all the Shareholders of the Company for their unstinted support to the Company.

The Board also wishes to express their sincere thanks to all the esteemed Customers for their support to the Company's business.

The Board would also like to place on record their deep sense of gratitude to the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them.

The Directors also gratefully acknowledge and thank all financial institutions and banks for their timely support in restructuring the Company's debt under the Sustainable Structuring of Stressed Assets (S4A) recently approved by the lenders and failing which the Company would have succumbed to the recession faced by the Construction Industry.

In the end, the Board would like to place on record their deep sense of appreciation to all the executives, officers, employees, staff members, and workers at the various sites.

For and on behalf of the Board of Directors

Place: Chennai  
Date: August 22, 2017

R.Sarabeswar  
Chairman  
(DIN: 00435318)

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)



## ANNEXURE "A" TO DIRECTORS REPORT

### Form AOC-1 - Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. )

Sl. No	Particulars	Consolidated Interiors Limited (CIL)	Noble Consolidated Glazings Ltd.	CCCL Infrastructure Ltd.	CCCL Pearl City Food Port SEZ Ltd.	Delhi South Extension Car Park Ltd.	CCCL Power Infrastructure Ltd.
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2017	31st March 2017	31st March 2017	31st March 2017	31st March 2017	31st March 2017
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR
3	Share capital	6,77,84,500	1,65,00,060	22,91,00,060	5,00,000	4,50,00,000	5,00,000
4	Reserves & surplus	(19,93,06,071)	(57,26,05,717)	(15,08,44,807)	(10,53,18,615)	(3,84,64,207)	(6,04,40,825)
5	Total assets	7,27,56,290	9,82,97,398	95,87,99,143	32,98,65,975	2,15,60,380	1,14,178
6	Total Liabilities	7,27,56,290	9,82,97,398	95,87,99,143	32,98,65,975	2,15,60,380	1,14,178
7	Investments	-	-	-	-	-	-
8	Turnover	-	2,27,26,049	9,28,53,891	49,57,617	-	-
9	Profit (Loss) before taxation	(1,54,80,160)	(14,75,06,859)	(3,90,14,399)	(2,94,06,536)	(72,987)	(1,02,497)
10	Provision for taxation/Tax Expense	-	-	-	-	-	-
11	Profit (Loss) after taxation	(1,54,80,160)	(14,75,06,859)	(3,90,14,399)	(2,94,06,536)	(72,987)	(1,02,497)
12	Proposed Dividend	0	0	0	0	0	0
13	% of shareholding	99.%	99.%	99%	Nil	99%	99.%

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Yuga Builders - Integrated Joint Venture, Unincorporated, Resident in India
Latest audited Balance Sheet Date	31.03.2017
Shares of Associate/Joint Ventures held by the company on the year end	NIL
No. 0	
Amount of Investment in Associates/Joint Venture	Rs.5,00,000/-
Extend of Holding%	50%
Description of how there is significant influence	Partnership
Reason why the associate/joint venture is not consolidated	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.(1,94,28,262)-
Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

R.Sarabeswar  
Chairman  
(DIN: 00435318)

S.Sivaramkrishnan  
Managing Director  
(DIN: 00431791)

Place: Chennai  
Date: August 22, 2017



**N.BALACHANDRAN** B.COM., A.C.S.,  
COMPANY SECRETARY IN PRACTICE

C/2 YAMUNA FLATS  
16TH STREET, NANGANALLUR  
CHENNAI -600061  
PH.NO.22670412  
CELL: 9444376560

## **ANNEXURE "B" TO DIRECTORS REPORT**

### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,  
**CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED,**  
Old No.3, New No.5, Second Link Street,  
C.I.T Colony, Mylapore, Chennai- 600004.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED** (hereinafter called the company) bearing CIN: L45201TN1997PLC038610. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the year under audit covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made there under; - There are instances that certain forms, returns, documents and resolutions required to be filed with the Registrar of Companies is filed with delay.
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (III) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent it is applicable;
- (V) The Following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) **The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2016 except there are few instances of non compliance.**
- (VI) I have also examined compliance with the applicable clauses of the following:
  - (I) **The Secretarial Standards issued by The Institute of Company Secretaries of India. However, there are few instances which require compliance.**
  - (II) **The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock exchange. During the period under review the Company has complied in general with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except there are few instances of non compliance.**
- (VII) **I Further Report that the company is not regular in depositing the statutory dues/of filing periodical return as relating to and applicable with the appropriate authorities during the year under audit.**
- (VIII) **I Further Report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and in case of Independent Directors requires compliance.**
- (IX) **I Further Report that notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting, however with requirements of compliance in some aspects.**



- (X) **I Further Report that**, based on the verification of the records and minutes, the decisions were carried out with the consent of the majority of the Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes. Further, in the minutes of the General meeting, the members who voted against resolutions have been properly recorded.
- (XI) **I Further report that** there are adequate systems and processes in the company commensurate with size and operations of the company to monitor and ensure compliance with applicable industrial, labour and other applicable laws, rules, regulations and guidelines.
- (XII) **I Further report that** during the year under audit, there were no instances of:
- Public/Rights/Preferential issue of shares / Debentures/ sweat equity except issue of shares to lenders (Bank) under CDR scheme.
  - Redemption / Buy Back of securities.
  - Merger/Amalgamations/ reconstruction.
  - Foreign Technical collaborations.
- (XIII) I Further report that the company's application for payment of remuneration to its managerial personnel for seeking Central Government's approval is still pending.
- I Further report that the following points requires attention and are beyond my comments**
- Erosion of Networth**
  - Uncertainty on Recovery of Trade Receivables**
  - Winding up petition preferred by various corporate bodies against the Company.**
  - Loans extended requires compliance under section 186(7) of Companies Act, 2013.**

Place:Chennai  
Date: 22.08.2017

Signature :  
Name of Company Secretary in Practice : N Balachandran  
ACS No. : 5113  
C P No: 3200

**Note:** This Report is to be read with the letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

### **Annexure to SECRETARIAL AUDIT REPORT**

- To
- The Members,  
**CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED,**  
Old No.3, New No.5, Second Link Street,  
C.I.T Colony, Mylapore, Chennai- 600004.
- Our report of even date is to be read with this letter**
- Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these Secretarial records based on my audit.
  - I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
  - I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
  - Where ever required, I have obtained Management representation about the compliance laws, rules and regulations and happening of events etc.
  - The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
  - The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:Chennai  
Date: 22.08.2017

Signature :  
Name of Company Secretary in Practice : N Balachandran  
ACS No. : 5113  
C P No: 3200



### ANNEXURE “C” TO DIRECTORS REPORT

Information pursuant to Sec 134(3)(m) of the Companies Act, 1956 read with the Companies (Accounts) Rules, 2014 for the year ended at 31st March 2017.

- A. CONSERVATION OF ENERGY: Not Applicable  
 B. RESEARCH AND DEVELOPMENT Not Applicable  
 C. TECHNOLOGY ABSORPTION Not Applicable  
 D. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE (Rs. in Lacs)

PARTICULARS	2016-17	2015-16
<b>Earnings</b>		
Export of Goods	NIL	NIL
<b>Expenditure</b>		
Import of Material	707.23	285.20

For and on behalf of the Board of Directors

Place: Chennai  
Date: August 22, 2017

R.Sarabeswar  
Chairman  
(DIN: 00435318)

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)

### ANNEXURE “D” TO DIRECTORS REPORT

#### Particulars of Contracts/arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangement or transactions not at arm's length basis

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Name of the Related Party	Nature of Relationship	Duration of the Contract	Salient terms	Amount (Rs in Lakhs)
Nature of Contract	Investment in equity instrument			
CCCL INFRASTRUCTURE LTD	Subsidiary	Not Applicable	Not Applicable	(8.33)
CCCL PEARL CITY FOOD PORT SEZ LTD	Subsidiary	Not Applicable	Not Applicable	(0.84)
CCCL POWER INFRASTRUCTURE LTD	Subsidiary	Not Applicable	Not Applicable	1.81
CONSOLIDATED INTERIORS LTD	Subsidiary	Not Applicable	Not Applicable	(105.29)
NOBLE CONSOLIDATED GLAZINGS LTD	Subsidiary	Not Applicable	Not Applicable	-
YUGA BUILDERS	Associate	Not Applicable	Not Applicable	-
YUGA DEVELOPER	Associate	Not Applicable	Not Applicable	Nil
Remuneration to Relative of KMP				
Mr. Kaushik Ram	Relative of Mr. R.Sarabeswar (WTD)			60.00

For and on behalf of the Board of Directors

Place: Chennai  
Date: August 22, 2017

R.Sarabeswar  
Chairman  
(DIN: 00435318)

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)



## ANNEXURE – “E” TO DIRECTORS REPORT EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

### I. REGISTRATION DETAILS

CIN	L45201TN1997PLC038610
Registration Date	11th July 1997
Name of the Company	CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED
Category/Sub Category of the Company	Company having Share Capital
Address of the Registered Office and Contact Details	No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004. Email: secl@ccclindia.com Phone: 2345 4500 Fax: 2499 0225
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Karvy Computershare Pvt Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone : +91 40 67161559

### II. PRINCIPAL BUSINESS ACTIVITIES

All the business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Services	NIC Code of the Product/Service	% to Total Turnover
Construction services	NA	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Share held	Applicable Section
1.	CCCL Infrastructure Ltd No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U45300TN2007PLC063417	Subsidiary	99.99	2(87)(a)
2	CCCL Pearl City Food Port SEZ Limited No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U45209TN2009PLC073089	Sub - Subsidiary	Nil	2(87)(a)
3	Delhi South Extn Car Park Ltd No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U45400TN2010PLC077400	Subsidiary	99.99	2(87)(a)
4	Consolidated Interiors Ltd No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U74999TN2006PLC059568	Subsidiary	99.99	2(87)(a)
5	Noble consolidated Glazing's Ltd No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U45402TN2007PLC063732	Subsidiary	99.99	2(87)(a)
6	CCCL Power Infrastructure Ltd No.5, II Link Street, C.I.T.Colony, Mylapore, Chennai 600 004.	U45206TN2010PLC076001	Subsidiary	99.99	2(87)(a)



**I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	83208068	Nil	83208068	20.88	77351078	Nil	77351078	19.41	-1.47
(b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	83208068	Nil	83208068	20.88	77351078	Nil	77351078	19.41	-1.47
(2) Foreign									
(a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	83208068	Nil	83208068	20.88	77351078	Nil	77351078	19.41	-1.47
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	2334565	Nil	2334565	0.59	2334565	Nil	2334565	0.59	Nil
(b) Banks/FI	213823778	Nil	213823778	53.65	213823778	Nil	213823778	53.65	Nil
(c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIs	12882620	Nil	12882620	3.23	10460622	Nil	10460622	2.62	-0.61
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	229040963	Nil	229040963	57.47	226618965	Nil	226618965	56.86	-0.61
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	26219272	37500	26256772	6.59	26581202	37500	26618702	6.68	0.09
ii. Overseas									
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh (for Beginning of Year) Upto two lakh for the End of year	18098014	204157	18302171	4.59	15597460	201657	15799117	3.96	-0.84



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh (for Beginning of Year) excess of two lakh for the End of year )	30773932	2107000	32880932	8.25	41353072	1862000	43215072	10.84	2.46
iii. NBFC	500	Nil	500	0.00	500	Nil	500	0.00	0.00
(C) Any Other (specify)									
Foreign Bodies	7126722	Nil	7126722	1.79	7126722	Nil	7126722	1.79	Nil
Non Resident Indians	814617	Nil	814617	0.20	864609	Nil	864609	0.22	0.02
Trust	861290	Nil	861290	0.22	861290	Nil	861290	0.22	Nil
Clearing Members	19153	Nil	19153	0.00	55133	Nil	55133	0.01	0.01
(D) Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(2)	83913500	2348657	86262157	21.65	92439988	2101157	94541145	23.72	2.07
Total Shareholding of Public = (B) (1) + (B) (2)	312954463	2348657	315303120	79.12	319058953	2101157	321160110	80.58	1.46
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	396162531	2348657	398511188	100.00	396410031	2101157	398511188	100%	Nil

**(ii) Shareholding of Promoters:**

Sl. No.	Share Holders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	R SARABESWAR	43175081	10.83	100.00	43175081	10.83	100.00	Nil
2	S SIVARAMAKRISHNAN	34175997	8.58	100.00	34175997	8.58	100.00	Nil
		77351078	19.41		77351078	19.41		Nil

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	83208068	20.88	77351078	19.41
2	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	Nil	Change due to re-classification of Promoters	Nil	1.47
3	At the End of the year	83208068	20.88	77351078	19.41



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	18630436	4.68	22391186	5.62
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			3760750 Increase due to market trade	0.94
3	At the End of the year (or on the date of separation, if Separated during the year)	18630436	4.68	22391186	5.62

**(v) Shareholding of Directors and Key Managerial Personnel:**

**Director Name: Mr. R SARABESWAR**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	43175081	10.83	43175081	10.83
2	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease : Inter-Se Transfer	Nil	Nil	Nil	Nil
3	At the End of the year	43175081	10.83	43175081	10.83

**Director Name: Mr. S SIVARAMAKRISHNAN**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	34175997	8.58	34175997	8.58
2	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease : Inter-Se Transfer	Nil	Nil	Nil	Nil
3	At the End of the year	34175997	8.58	34175997	8.58

**Director Name: Mr. V. G JANARTHANAM**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	4856990	1.22	4856990	1.22
2	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease : Inter-Se Transfer	Nil	Nil	Nil	Nil
3	At the End of the year	4856990	1.22	4856990	1.22



**KMP Name: Mr. R.SIDDHARTH**

Sl. No.	For Each of the Directors and KMP	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease : Inter-Se Transfer	Nil	Nil	Nil	Nil
3	At the End of the year	Nil	Nil	Nil	Nil

**II. INDEBTEDNESS:**

Indebtedness of the Company including outstanding/accrued but not due for payment interest

S.No.	Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
		(A)	(B)	(C)	(D)=(A+B+C)
<b>(A)</b>	<b>Indebtedness at the beginning of the Financial Year</b>				
	(i) Principal Amount	1,10,871.29	2,975.25	-	1,13,846.54
	(ii) Interest due but not paid	866.14	0	-	866.14
	(iii) Interest accrued but not due	-	-	-	-
	<b>Total ( i+ii+iii )</b>	<b>1,11,737.43</b>	<b>2,975.25</b>	<b>-</b>	<b>1,14,712.68</b>
<b>(B)</b>	<b>Change in Indebtedness during the Financial Year</b>				
	Addition	9,263.74	-	-	9,263.74
	Reduction	-	59.60	-	59.60
	<b>Net Change</b>	<b>9,263.74</b>	<b>-59.60</b>	<b>-</b>	<b>9,204.14</b>
<b>(C)</b>	<b>Indebtedness at the end of the Financial Year</b>				
	(i) Principal Amount	1,19,568.39	2915.65	-	1,22,484.04
	(ii) Interest due but not paid	1,432.78	-	-	1,432.78
	(iii) Interest accrued but not due	-	-	-	-
	<b>Total ( i+ii+iii )</b>	<b>1,21,001.17</b>	<b>2,915.65</b>	<b>-</b>	<b>1,23,916.82</b>



**III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Rs in Lakhs

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		S Sivaramakrishnan MD	R Sarabeswar WTD	V G Janarthanam WTD	
<b>1</b>	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Ceiling as per the Act</b>				<b>84.00</b>

**B. Remuneration to other Directors:**

S.No.	Remuneration	Name of Directors				Total Amount
		Mrs.Hastha Shivaramakrishnan	Mr. Jayaramrangan	Mr.P.Venkatesh	Dr.P.K.Aravindan	
a. Independent Directors	Rs.1,20,000/-	Rs.80,000/-	Rs.80,000/-	Nil	Rs.2,80,000/-	
• Fee for attending board / committee meetings						
• Commission						
• Others, please specify						
Total(1)	Rs.1,20,000/-	Rs.80,000/-	Rs.80,000/-	Nil	Rs.2,80,000/-	
	Mr.K.E.C.Rajakumar *Mr. Ranjit Goswami					
b. Other Non-Executive Nominee Directors	Nil	Rs. 1,60,000/-	Nil	Nil	Rs. 1,60,000/-	
• Fee for attending board / committee meetings						
• Commission						
• Others, please specify						
Total (2)	Nil	Rs. 1,60,000/-	Nil	Nil	Rs. 1,60,000/-	
Total (B) = (1)+(2)	Rs.1,20,000/-	Rs.2,40,000/-	Rs.80,000/-	Nil	Rs.4,40,000/-	
Total Managerial Remuneration	Rs.1,20,000/-	Rs.2,40,000/-	Rs.80,000/-	Nil	Rs.4,40,000/-	
Overall Ceiling as per the Act					1% of Net Profit	



**C. Remuneration to other Directors, Key Managerial Personnel other than MD/MANAGER/WTD:**

Rs in Lakhs

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CFO cum CS	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	12.00	12.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>Nil</b>	<b>12.00</b>	<b>12.00</b>

**IV.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C OTHER OFFICERS IN DEFAULT</b>					
Penalty Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



## ANNEXURE – “F” TO DIRECTORS REPORT PARTICULARS OF EMPLOYEES

### A) Information as per Section 197(12) read with Rule 5(1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014:

(1) The ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

NAME	DESIGNATION	RATIO
R. Sarabeswar	CHAIRMAN	NIL
S. Sivaramakrishnan	MANAGING DIRECTOR	NIL
V. G. Janarthanam	DIRECTOR (OPERATIONS)	NIL
Hastha Sivaramakrishnan	DIRECTOR	0.35
P Venkatesh	DIRECTOR	0.24
Jayaram Rangan	DIRECTOR	0.24
Ranjith Goswami	DIRECTOR	0.47
KEC Rajakumar#	DIRECTOR	NIL
P.K Aravindan#	DIRECTOR	NIL

\*for part of the year

The median remuneration of employees of the Company during the Financial year 2016-17 was Rs. 39396/-

**A) No remuneration was paid by the Company to Executive Directors during the year 2016-17 due to the inadequate profits.**

**B) # No sitting fees was paid to Independent Directors and Nominee Directors in the year 2016-17 as it was voluntarily waived by few Independent Directors and Nominee Directors due to the inadequate profits.**

(2) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

NAME	DESIGNATION	RATIO
R. Sarabeswar	CHAIRMAN	NA
S. Sivaramakrishnan	MANAGING DIRECTOR	NA
V. G. Janarthanam	DIRECTOR (OPERATIONS)	NA
Hastha Sivaramakrishnan	DIRECTOR	200%
P Venkatesh#	DIRECTOR	NA
Jayaram Rangan	DIRECTOR	100%
Ranjith Goswami#	DIRECTOR	NA
KEC Rajakumar#	DIRECTOR	NA
P.K Aravindan#	DIRECTOR	NA
R. Siddharth *	CFO/ Company Secretary	108%

\*Mr. R. Siddharth was appointed as Chief Financial officer with effect from 31.03.2016

- No remuneration was taken by the Executive Directors in the year 2016-17 due to the inadequate profits and hence the remuneration for the year is not comparable with the year 2015-16.
- #No remuneration was taken by the Non-Executive Directors in the year 2015-16 due to the inadequate profits and hence the remuneration for the year is not comparable with the year 2016-17.
- The remuneration of Non-Executive Directors include only sitting fees paid for Board/Committee meetings in the financial year 2016-17

(3) The percentage increase in the median remuneration of employees in the financial year: 6.57 %

(4) The number of permanent employees on the rolls of Company: 738

(5) The increase in the average salary of the employees is 27.9. % as compared to increase in the managerial remuneration which is 0%.

6) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.



**(B) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Name(Age)	Designation	Remuneration	Qualification	Date of Commencement of Employment	Previous Employment
Kaushik Ram S (35)	President – Business Strategy	60,00,000/-	BE , MBA	02.02.2006	NA
Kishor Kumar B(46)	Regional Manager – Bangalore	46,95,300/-	BE , MBA	02.02.1998	CCIL
Vidhyasekar B(48)	Regional Manager – Chennai	43,68,600/-	BE , MBA	02.02.1998	CCIL
Chandra Vimanam M (57)	Sector Head – Operations	25,66,080/-	DCE	07.11.2005	NA
Arul Anandan X (57)	Head – Yuga Soft (Software Division)	24,81,840/-	B.COM	22.08.1997	Galfar (Brunei)
Sannapu Reddy Himavantha Reddy (48)	Regional Sector Head – Operations	22,80,000/-	B.E - Civil	25.01.2012	NA
VARUSAI MOHAMED J (38)	Head – Contracts (Infra)	21,88,200/-	DCE, TMICE	10.08.2009	L&T (ECC)
Muniasamy Pandian K (49)	Project Head (Operations)	21,60,000/-	DCE	08.11.2000	NA
ILANGO VAN PL (55)	Head – Mechanical & Electrical division	20,73,600/-	B.E (Mech.), M.S. (Management System)	21.01.2011	Hatsun Agro
RAGHAVENDRAN S (51)	Head – Contracts Management	19,80,000/-	BE,DCE	07.01.2008	Nagarjuna Constructions

**Notes:**

1. The nature of employment of all employees above is whole time in nature and terminable with 3 months notice on either side.
2. Remuneration as shown above includes salary, allowances, leave travel assistance, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund. Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits to the employees excepting in case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, and in such cases, notional amount as per income tax rules has been adopted.
3. Remuneration as shown above does not include amount attributable to compensated absences as actuarial valuation is done for the Company as a whole only.

For and on behalf of the Board of Directors

R.Sarabeswar  
Chairman  
(DIN: 00435318)

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)

Place: Chennai  
Date: August 22, 2017



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

Consolidated Construction Consortium Limited believes in the implementation of best practices of corporate governance so that the Company achieves its corporate goals and further enhances stakeholders' value. A great deal of importance is attached to ensuring fairness, transparency, accountability and responsibility towards stakeholders, besides consistently implementing best possible practices by providing optimum level of information and benefits to the stakeholders.

This report covers the corporate governance aspects in your Company relating to the year ended 31st March 2017.

### 2. BOARD OF DIRECTORS

#### 2.1 APPOINTMENT AND TENURE

The Directors of the Company are appointed by Shareholders at General Meetings. All the Directors except the Independent Director(s) are subject to retirement by rotation and at every Annual General Meeting one third of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of the Companies Act and that of the Articles of Association of the Company.

#### 2.2 COMPOSITION OF THE BOARD

The Board of Directors of the company consists of three Executive, Two Non-Executive Nominee and four Non-Executive are Independent Directors as per the criteria of independence stated in Regulation 17(1) of the SEBI (LODR) Regulations, 2015. The day to day management of the company is conducted by the Chief Executive Officer and the Managing Director subject to the supervision and overall control of the Board.

#### 2.3 BOARD AND COMMITTEE MEETINGS AND PROCEDURES

The Board of Directors oversees the entire functioning and operations of the Company. They evaluate performance of the Company and provide direction and guidance to the Company for undertaking the business of the Company in accordance with its corporate goals and statutory requirements. They also give valuable advice, monitor the Management Policies and their effectiveness and ensure that the long term interests of the shareholders are served. The Managing Director is being assisted by Key Management Personnel, Senior Management Staff and Officers to ensure proper functioning of the Company in terms of set guidelines.

The Board has constituted other Committees viz, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility, Risk Management Committee, Executive Committee and Management Committee. The Board constitutes additional functional committees from time to time depending upon the necessity. A minimum of four Board Meetings are held every year. At times more meetings are convened depending upon the requirements. Dates for the Board Meetings are decided

well in advance. The Board/Committee meetings are conducted as per well defined procedures and systems. The information placed before the Board includes:

Compliance with Statutory/Regulatory requirements and review of major legal issues.

Quarterly / Half Yearly/Annual Financial Results of the Company.

Noting of the proceedings of the Meeting of Audit Committee and other Committees of the Board and such other items as mentioned in the Listing Regulation.

Annual and Accounting Policies

Monitoring of Performance

Annual operating Plans

Capital Budgets and updates on the same

Delegation of Authority and renewal thereof, etc.

#### 2.4 DISTRIBUTION OF BOARD AGENDA PAPERS

Board Notes are circulated well advance in the devised agenda format. All material information is incorporated in the agenda notes so that there can be meaningful discussions in the Board Meetings.

#### 2.5 MINUTES OF THE BOARD MEETINGS

The Board Meeting Minutes are recorded immediately after the Board Meetings are over and these are sent to the Directors in draft form for their approval. Any changes suggested by them in the draft are incorporated and then final minutes are prepared and signature of the Chairman is obtained.

#### 2.6 FOLLOW UP OF DECISIONS TAKEN AT THE BOARD MEETINGS

The Company has an effective system of follow up of the decisions taken at the Board Meeting.

An Action Taken Report is prepared and circulated to the Board in the next Meeting. The Company Secretary ensures the flow of necessary information and feedback from the Board to the respective departments. Observations made by the Board are sent to respective functional heads for follow up and implementation.

#### 2.7 COMPLIANCE WITH STATUTORY REQUIREMENTS

At the time of preparation of agenda notes it is ensured that all the statutory requirements are complied with under Companies Act, SEBI Regulations and guidelines from other statutory bodies. The Company complies with Secretarial Standards prescribed by the Institute of Company Secretaries of India.

### 3. BOARD MEETINGS

Five Board Meetings were held during the financial year 2016-17 The maximum gap between any two meetings was less than 4 months as stipulated under the Listing Regulation. The dates on which the said meetings held are as follows:

**25th May 2016, 29th July 2016, 16th August 2016, 14th November 2016, 14th February 2017.**



Attendance of each Director at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorship(s) and Committee Chairmanships / Memberships held by them in other companies are given below:

Name of the Director	Category	Attendance		No. Of Directorships in public limited companies including this company *	Committee Memberships (including this Company) *	
		Board	AGM		Chairman	Member
1. Mr. R. Sarabeswar	Executive-Chairman	5	Yes	6	-	1
2. Mr.S. Sivaramakrishnan	Executive - Managing Director	5	Yes	8	-	1
3. Mr. V.G. Janarthanam	Executive-Whole Time Director	5	Yes	7	-	-
4. Mrs.Hastha Shivaramakrishnan	Non Executive Independent	4	Yes	1	-	3
5. Mr.K.E.C. Rajakumar	Non Executive - Nominee Director	2	No	2	-	2
6. Mr.P. Venkatesh	Non Executive - Independent	3	No	4	4	1
7. Dr.P.K. Aravindan	Non Executive - Independent	1	No	1	-	3
8. Mr. Jayaram Rangan	Non Executive - Independent	2	Yes	1	-	2
9. Mr. Ranjit Goswami	Non Executive Nominee Director	4	Yes	3	-	-

\* Represents directorship(s)/membership(s) of Audit and Stakeholders' Relationship Committee(s) in public limited companies governed by the Companies Act, 2013

The Board has been provided with all material and substantial information that facilitates them for imparting significant decisions while discharging its duties as trustees of shareholders.

None of the Directors hold any shares in the Company other than,

Mr R. Sarabeswar – 43175081

Mr. S. Sivaramakrishnan – 34175997

Mr. V G Janarthanam - 4856990

None of the Directors have any inter-se relationship.

The details of familiarization programmes imparted to the Independent Directors are disclosed in the website of the Company at (<http://www.ccclindia.com>)

#### 4. CODE OF CONDUCT

In compliance with Regulation 26(3) of Listing Regulations and Companies Act, 2013, the company has framed and adopted a Code of Conduct and Ethics ('the Code'). The code is applicable to the members of the Board, the executive officers and all the employees of the company and its subsidiaries. The code is available on our website, [www.ccclindia.com](http://www.ccclindia.com). All the members of the Board, executive officers and senior financial officers have affirmed compliance of the code as on 31st March 2017. A declaration to this effect signed by Managing Director, forms part of this report.

#### 5. PREVENTION OF INSIDER TRADING

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, our Company has adopted a Code of Conduct for prevention of Insider Trading. This Code is applicable to all Board members/officers/designated employees. The objective of this code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

#### 6. SECRETARIAL STANDARDS RELATING TO BOARD MEETINGS

The Secretarial and the operating practices generally followed by our Company are in line with the Standards on Secretarial practice relating to meetings of the Board and Committees stipulated by The Institute of Company Secretaries of India even if such laid down standards are recommendatory in nature.

#### 7. AUDIT COMMITTEE

##### 7.1 COMPOSITION, NAMES OF MEMBERS AND CHAIRMAN

The Audit Committee comprises of Shri. Dr. P.K.Aravindan, Shri. Jayaramangan, Shri. P.Venkatesh and Shri. K.E.C.Raja Kumar, Mrs. Hastha Shivaramakrishnan out of which Four are Non-Executive Independent Directors of the Company with Mr. P. Venkatesh Independent Director as



its Chairman. The Company Secretary acts as Secretary of the Committee.

## 7.2 MEETINGS AND THE ATTENDANCE DURING THE YEAR

Four meetings of the Audit Committee were held during the year 25th May 2016, 29th July 2016, 14th November 2016, 14th February 2017.

Name of the Director	Status	No. of Meetings attended
Mr.P.Venkatesh	Chairman	2
Mr. Jayaramrangan	Member	2
Dr. P.K.Aravindan	Member	Nil
Mr. S. K.E.C.Raja Kumar	Member	2
Mrs. Hastha Shivaramakrishnan	Member	3

## 7.3 TERMS OF REFERENCE

The terms of reference of the Audit Committee covering the matters specified in respect of such Committee have been aligned with the requirements of Section 177 of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 8. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee" in the Board Meeting held on 30th March 2015.

The Nomination and Remuneration Committee of our Company has been constituted to recommend to the

Board the appointment/re-appointment of the Executive and Non-Executive Directors, the induction of Board members into various committees and suggest revision in total remuneration package of the Executive Director(s) keeping in view the prevailing statutory guidelines. The Committee has also been empowered to review/recommend the periodic increments, if any, in salary and annual incentive of the Executive Director(s).

This Committee comprises of Three Members who are Non-Executive Independent Directors of the Company with Shri. Mr.P.Venkatesh Independent Director as its Chairman. , which was re-constituted on March 30, 2015 comprising of Mr.P.Venkatesh, Chairman, Dr.P.K.Aravindan and Mrs. Hastha Shivaramakrishnan, as Members of the Committee. The Company Secretary acts as Secretary of the Committee. The Committee met one time during the financial year 2016-17 on 30th March 2017.

Name of the Director	Status	No. of Meetings attended
Dr. P.K.Aravindan	Member	Nil
Mr.P.Venkatesh	Chairman	1
Mr.Mrs.Hastha Shivaramakrishnan	Member	1

## 9. REMUNERATION TO DIRECTORS

Due to the heavy losses incurred by the Company, the Promoter Directors viz. Shri. R.Sarabeswar, Executive Chairman & Shri.S.Sivaramakrishnan Managing Director and Shri.V.G.Janarthanam Whole time Director have deferred their entitlement of remuneration for the financial year 2016-17, with recourse to claim in future.

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs in Lakhs

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		S Sivaramakrishnan MD	R Sarabeswar WTD	V G Janarthanam WTD	
1	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Ceiling as per the Act</b>				<b>84.00</b>



**B. Remuneration to other Directors:**

S.No.	Remuneration	Name of Directors				Total Amount
		Mrs.Hastha Shivaramakrishnan	Mr. Jayaramrangan	Mr.P.Venkatesh	Dr.P.K.Aravindan	
	a. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Rs.1,20,000/-	Rs.80,000/-	Rs.80,000/-	Nil	Rs.2,80,000/-
	Total(1)	Rs.1,20,000/-	Rs.80,000/-	Rs.80,000/-	Nil	Rs.2,80,000/-
		Mr.K.E.C.Rajakumar *Mr. Ranjit Goswami				
	b. Other Non-Executive Nominee Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Rs. 1,60,000/-	Nil	Nil	Rs. 1,60,000/-
	Total (2)	Nil	Rs. 1,60,000/-	Nil	Nil	Rs. 1,60,000/-
	Total (B) = (1)+(2)	Rs.1,20,000/-	Rs.2,40,000/-	Rs.80,000/-	Nil	Rs.4,40,000/-
	Total Managerial Remuneration	Rs.1,20,000/-	Rs.2,40,000/-	Rs.80,000/-	Nil	Rs.4,40,000/-
	Overall Ceiling as per the Act					1% of Net Profit

**Note:**

- In addition to the above, contribution to Provident and other Funds are made by the Company as per the applicable rules. In view of the losses no performance linked pay was paid / payable.
- The above Directors are under contract of employment with the Company which stipulates a notice period of 3 months from either side for early separation. No severance fee is payable and no Employee Stock Option has been offered by the Company.
- No Employee Stock Option has been offered by the Company to any of the Directors.

**10. NON-EXECUTIVE DIRECTOR'S COMPENSATION**

The Sitting Fees paid to Non-Executive Directors for the year ended 31st March 2017 is as follows:

(Rs.in Lakhs)

Name of the Director	Sitting fee *
Dr. P.K.Aravindan	Nil
Mr. Jayaramrangan	0.80
Mr. P.Venkatesh	0.80
Mr. K.E.C.Raja Kumar	Nil
Mrs. Hastha Shivaramakrishnan	1.20
Mr. Ranjit Goswami	1.60

\* Includes sitting fee paid for attending Committee Meetings.

The sitting fee payable to Independent Directors for attending the Board and Committee Meetings has been fixed at Rs. 20000/- for each meeting. In view of the current financial situation of the company certain Independent Directors have voluntarily waived the sitting fees payable for the year 2016-17.

The sitting fees payable for other meetings and committee meetings were voluntarily waived by some Directors for the year 2016-17.

**11. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee is functioning to look into Redressal of Investor/Shareholders complaints expeditiously. The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and Redressal of shareholders/investors/security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI (LODR) Regulations, 2015 and provisions of the Companies Act, 2013.

The Stakeholder's Relationship Committee Comprises of Mr.P.Venkatesh as Chairman, and Mr.R.Sarabeswar as members. The Company Secretary acts as the Secretary of the Committee. The Committee met four times during the financial year 2016-17 on 25th May 2016, 29th July



2016, 14th November 2016, 14th February 2017. During the year, the Company received Nil Complaints.

There were no pending complaints as at the end of the year

## **12. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the provisions of Section 135 of the Companies Act, 2013 the board has constituted a Corporate Social Responsibility (CSR) Committee to review the existing CSR policy. The Board also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe best practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Corporate Social Responsibility Committee comprises of Shri. Mr.R.Sarabeswar as Chairman, Shri.S.Sivaramakrishnan and Shri. Mr.Jayaram Rangan as members. The Company Secretary acts as the Secretary of the Committee.

## **13. RISK MANAGEMENT COMMITTEE**

In compliance with the Regulation 21 of the SEBI (LODR) Regulations, 2015, the Board has constituted Risk Management Committee. Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management Committee comprises of Mr.R.Sarabeswar, Chairman, Mr. P.Venkatesh, Mr. S. Sivaramakrishnan, Mr. R. Siddharth as members.

## **14. SHARE TRANSFER AND TRANSMISSION COMMITTEE**

The Share Transfer and Transmission Committee oversees and reviews all matters connected with transfers, transmissions, transpositions, splitting, consolidation of shares, demat and remat requests.

The Share Transfer and Transmission Committee comprises of Mr.P.Venkatesh as Chairman and Mr.K.E.C.RajaKumar, Mr.S.Sivaramakrishnan as Member.

## **15. INDEPENDENT DIRECTORS' MEETING**

During the year, the Independent Directors met on November 09, 2016 inter alia, to discuss:

- a) Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- c) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **16. BOARD FAMILIARISATION AND INDUCTION PROGRAMME**

The Familiarization Programme ("the Programme") for Independent Directors of the Company familiarizes their roles, rights, responsibilities in the Company, nature of the

industry in which the Company operates, business model of the Company, etc., through various programmes. The Company circulates news and articles related to the industry on a regular basis and may provide specific regulatory updates and provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The Company further follows a system of 'Orientation Programme' for any new Director who joins the Company's Board. The concerned Director is taken through an orientation process, which includes detailed presentation of the process and business of the Company, meeting with unit level and Senior Management team. The information / details about the Company from its date of incorporation, its growth, corporate actions, corporate acquisitions etc to understand better the operational activities are presented to the newly inducted Board members.

## **17. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director & CFO and their remuneration. This Policy is accordingly derived from the said Charter.

### **CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## **18. REMUNERATION**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:



- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non Executive Director will also be entitled to receive commission if any on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iv. The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- vi. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

#### 19. REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:
  - i. the relationship of remuneration and performance benchmark is clear;
  - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/ KPIs, industry benchmark and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N & R Committee for its review and approval.

#### 19.1 PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and schedule II, Part – D of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors

individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

Performance evaluation is done after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance specific duties, obligations and governance. Directors including the Chairman of the Board are evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The Directors expressed their satisfaction with the evaluation process.

## 20. MEETINGS

### 20.1 TENTATIVE CALENDAR FOR FY 2017-18

Quarter	Quarter Ending	Date of Board Meeting
Q1	June 30, 2017	September 09, 2017
Q2	September 30, 2017	November 10, 2017
Q3	December 31, 2017	February 13, 2018
Q4	March 31, 2018	May 25, 2018

### 20.2 DETAILS OF THE LOCATION, DATE AND TIME OF THE LAST 3 ANNUAL GENERAL MEETINGS (AGM) AND THE DETAILS ARE GIVEN BELOW:

Year	Meeting	Location	Day/Date	Time
2015-16	19th AGM	Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai (OMR), Navalur, Chennai-603 103	16th Sep. 2016	11.30 am
2014-15	18th AGM	The Music Academy MiniHall, Chennai-14	26th Sep. 2015	11.30 am
013-14	17th AGM	The Music Academy, MiniHall, Chennai-14	1st Sep. 2014	02.30 pm

### 20.3 SPECIAL RESOLUTION PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS

- At the 17th AGM held on 1st Sep 2014 the following special resolution was passed:
  - a) To Raising Of Fund up to USD 200 Million
  - b) To mortgage/create charge under Section 180(1)(a)
  - c) To Approve for borrowing under Section 180(1)(c):
- At the 18th AGM held on 26th Sep 2015 the following special resolution was passed:
  - a) Ratification on allotment of shares to CDR lenders through preferential allotment
- At the 19th AGM held on 16th Sep 2016 the following Special Resolution was passed:
  - a) Issue of Securities of the Company
  - b) Approval Of Enhancement In Prescribed Limit Of Remuneration Payable To Related Party's appointment.

### 20.4 DETAILS OF PREVIOUS EXTRAORDINARY GENERAL MEETINGS (LAST 3 YEARS)

During the last 3 years, No Extraordinary General Meeting of the Company was held.



## 20.5 POSTAL BALLOT

During the fiscal 2016-17, no postal ballot was conducted.

## 20.6 PROCEDURE FOR POSTAL BALLOT

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The company engages the services of M/s Karvy Computershare Pvt Ltd for the purpose of providing e-voting facility to all its members. The members have the option to vote either physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear in the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/ the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Member desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorised officer, The results are also displayed on the website of the company, [www.ccclindia.com](http://www.ccclindia.com), besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

## 21. DISCLOSURES

- I There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
- II. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- III. As stipulated under the Act and the Listing Regulations the company has adopted the whistle blower mechanism for directors and employees a Whistle Blower Policy has been framed and the text of the same is uploaded in the website of the Company. The Policy, inter alia, provides for access to the Chairman of the Audit Committee in

exceptional cases and no person has been denied access to the Chairman of the Audit Committee.

- IV. As stipulated under the provisions of Listing Regulations a Policy for determining material subsidiaries has been framed and the policy is available on our website (<http://www.ccclindia.com>)
- V. As stipulated under the provisions of Listing Regulations a Policy on dealing with related party transactions has been framed and the policy is available on our website (<http://www.ccclindia.com>). Pursuant to Para A of Schedule V of SEBI (LODR) Regulations 2015, disclosures pertaining to related party transactions are reported under the notes to financial statements which form part of this Annual Report.
- VI. The company has laid down procedures to inform the Board Members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively. Employee level and Board level committees have been formed to analyze the issues relating to risk management and the action points arising out of the deliberations of the Committees are reviewed by the Board.
- VII. As required under Regulation 17 of SEBI (LODR) Regulations, 2015, CEO/CFO Certification by Mr R.Sarabeswar, CEO & Chairman and Whole time Director and Mr R.Siddharth, Chief Financial Officer was placed before the Board at its meeting held on 30th May 2017 which also forms part of this Annual Report.
- VIII. As required by Schedule V of Listing Regulations, the Auditor's certificate on corporate governance is annexed to the Corporate Governance report.
- IX. In compliance with Regulation 26(3) of Listing Regulations and Companies Act, 2013, the company has framed and adopted a Code of Conduct and Ethics ('the Code'). The code is applicable to the members of the Board, the executive officers and all the employees of the company and its subsidiaries. The code is available on our website, [www.ccclindia.com](http://www.ccclindia.com). All the members of the Board, executive officers and senior financial officers have affirmed compliance of the code as on 31st March 2017. A declaration to this effect signed by Managing Director is annexed to the Corporate Governance report.
- X. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- XI. The Company has complied with all the mandatory requirements stipulated under the Listing Regulations.
- XII. There are no such instances with respect to non-compliances with the requirements. And no penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.
- XIII. All the requirements of Corporate Governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with
- XIV. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the Regulations.



### **21.1 DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activities undertaken by the Company. As regards the Foreign Exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the financial statements.

### **21.2 DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT.**

There are no such details pertaining to demat suspense account/unclaimed suspense account.

### **21.3 COMPLIANCE WITH DISCRETIONARY REQUIREMENTS**

As stipulated under Regulation 27 read with Part E of Schedule II of Listing Regulations, the following discretionary requirements have been adopted / complied with by the Company

- a) The posts of Chairman and Managing Director are held by two separate individuals.
- b) There are no qualifications by the Auditors on the Stand Alone and Consolidated Financial Statements for the year 2016-17.

The Company has appointed Mr. Rengaraj – an employee of the Company as the Internal Auditor who carried out the audit and the report is presented to the Audit Committee for review and further directions.

### **22. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF REGULATION 36 OF SEBI (LODR) REGULATIONS, 2015)**

The details are provided in the Explanatory Statement to the Notice of 20th AGM of the Company.

### **23. CEO/CFO CERTIFICATION**

As required under Regulation 17 of SEBI (LODR) Regulations, 2015, CEO/CFO Certification by Mr R.Sarabeswar, CEO & Chairman and Whole time Director and Mr R.Siddharth, Chief Financial Officer was placed before the Board at its meeting held on 30th May 2017 which also forms part of this Annual Report

### **24. MEANS OF COMMUNICATION**

As stipulated under Para A of Schedule V of Listing Regulations, the means of communications adopted by the company includes the following:

- a) The Quarterly Results are intimated to the Stock Exchanges and published in one English National Newspaper (Trinity Mirror) and one Tamil News Paper (Makkal Kural).
- b) The results are also posted in the website of the Company viz. www.ccclindia.com

- c) In addition, official press / news release and several other details / information of interest to various stakeholders' are submitted to the Stock Exchanges and made available in the website.

### **25. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

Management Discussion and Analysis report is annexed.

#### **25.1 SHAREHOLDERS RIGHTS**

The quarterly/annual results, after the Board of Directors takes them on record, are forthwith sent to the Stock Exchanges with whom the company has listed. The results, in the prescribed format, are published in One English daily and One Tamil daily newspaper.

#### **25.2 AUDIT QUALIFICATION**

The Auditors qualifications and the management's response to such qualifications and observations are covered in the Director Report.

#### **25.3 WHISTLE BLOWER POLICY**

The company has a Whistle Blower/Vigil Mechanism and framed a policy for the same to deal with the instance of fraud and mismanagement. The Audit Committee has not received any complaints from its employees during the fiscal year 2016-2017

### **26. GENERAL SHAREHOLDERS INFORMATION**

#### **• REGISTERED OFFICE OF THE COMPANY**

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

#### **FORTHCOMING ANNUAL GENERAL MEETING**

26th September 2017  
Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai  
(OMR), Navalur, Chennai-603103

#### **• FINANCIAL YEAR**

1st April 2016 to 31st March 2017

#### **• BOOK CLOSURE DATES**

From 20th September 2017 to 26th September 2017  
(both days inclusive)

#### **• DIVIDEND**

Due to the continuing losses incurred by the Company, the Board of Directors have not recommended any dividend for the financial year 2016-17.

#### **• UNCLAIMED DIVIDEND**

Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount once deposited in Investors' Education and Protection Fund (IEPF). Shareholders are, therefore, again requested to claim their unpaid dividend, if not already claimed.

Unclaimed and unpaid dividends are transferred to the Investor Education & Protection Fund of the Central Government. The Unpaid and unclaimed dividend balances for the year 2009-10 were duly transferred to the IEPF within the due dates. The details of Unpaid and unclaimed dividend balances are provided hereunder:



**DETAILS OF UNPAID/UNCLAIMED DIVIDEND**

Financial Year	Date of Declaration	Date for Transfer to Unpaid Dividend Account	Last Date for Claiming Unpaid Dividend	Due Date for transfer to IEPF	Amount of Unclaimed Dividend (Rs.)
# 2007-08	25th June 2008	30th July 2008	30th July 2015	30th July 2015 (Transferred)	15,050/-
##2008-09	25th June 2009	1st August 2009	1st August 2016	1st August 2016 (Transferred)	20,914/-
###2009-10	24th June 2010	30th July 2010.	30th July 2017.	30th July 2017.	18,202/-
2010-11	27th June 2011	30th July 2011	30th July 2018	30th July 2018	45,062/-

## As of AGM date for the Year 2007-2008 Rs.15,050/- Amount of Unclaimed Dividend is transferred to IEPF

## As of AGM date for the Year 2008 – 2009 Rs.20,914/- Amount of Unclaimed Dividend is transferred to IEPF.

### As of AGM date for the Year 2009 – 2010 Rs.18,202/- Amount of Unclaimed Dividend is transferred to IEPF.

**INSTRUCTION TO SHAREHOLDERS**

• **SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM**

Please notify the change in your address if any, to the Company's registrar M/s. Karvy Computershare Pvt Ltd, immediately.

• **SHAREHOLDERS HOLDING SHARES IN DEMAT FORM**

If there is any change in your address kindly advise your DPs immediately about the change.

• **LISTING ON STOCK EXCHANGES AND STOCK CODE**

Stock Exchange	Stock Code
National Stock Exchange of India Ltd, Exchange Plaza, Bandra -Kurla Complex, Bandra (E), Mumbai 400 051	Symbol: CCCL Series: EQ
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 051	Scrip Code: 532902 Security ID: CCCL

• **LISTING FEES**

Annual Listing Fees for the year 2016-17 have been duly paid to all the stock exchanges where the company's shares are listed. The listing fees for the financial year 2017-18 have also been paid with all the stock exchanges within the due date.

• **DEPOSITORIES CONNECTIVITY**

Annual Custodial Fee for the financial year 2016-17 have been duly paid by the Company with both the depositories viz., NSDL and CDSL within the due date.

National Securities Depository Ltd. (NSDL)

Central Depository Services (India) Ltd. (CDSL)

ISIN: INE429I01024

• **SHARE TRANSFER PROCESS**

1. Karvy Computershare Pvt Ltd processes the physical transfers and other requests from the Shareholders.

2. The Board delegated the power to approve the transfers to the Share Transfer & Transmission Committee and the transfers are approved as and when necessary.
3. A Practicing Company Secretary carries out the Reconciliation of Share Capital Audit, pertaining to the share transfers every three months and necessary certificate to that effect are issued and the same are filed with the Stock Exchanges on a quarterly basis.
4. As per SEBI's instructions, the Company's Shares can be sold through stock exchange only in dematerialized form.

The Contact details of Registrar and Share Transfer Agent:

**M/s. Karvy Computershare Pvt Ltd**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032  
Phone : +91 40 67161559

• **DEMATERIALIZATION OF SHARES AS ON 31ST MARCH 2017**

1. The Company entered into agreements with National Securities Depository Limited (NSDL), Mumbai and Central Depository Services (India) Limited (CDSL), Mumbai facilitating the Electronic Transfer through dematerialization of Company's Shares and holding shares in dematerialized form.
2. A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
3. As on 31st March 2017, 396410031 equity shares constituting 99.47% of the total paid up capital of the company have been dematerialized. All the equity shares except the locked in shares if any are freely tradable.



• **MARKET PRICE DATA & PERFORMANCE IN COMPARISON WITH BSE AND NSE INDICES**

**MARKET PRICE DATA**

Month	B.S.E		N.S.E	
	High	Low	High	Low
April 2016	5.19	3.66	4.75	3.75
May 2016	4.46	3.1	4.05	3.00
June 2016	4.35	2.52	3.6	2.35
July 2016	4.68	3.60	4.65	3.65
August 2016	4.33	3.3	4.35	3.55
September 2016	4.3	3.42	4.75	3.3
October 2016	4.9	3.47	4.95	3.4
November 2016	4.6	3.11	4.6	3.2
December 2016	4.49	2.8	4.8	2.9
January 2017	4.29	3.32	4.2	3.4
February 2017	4.45	3.6	4.15	3.55
March 2017	4.34	3.51	4.2	3.5

**SHAREHOLDING PATTERN/DISTRIBUTION**

• **SHAREHOLDING PATTERN AS ON 31.03.2017**

S.No.	Description	Cases	Shares	% Equity
1	BANKS	5	213734963	53.63
2	CLEARING MEMBERS	21	55133	0.01
3	FOREIGN BODIES	1	7126722	1.79
4	FOREIGN PORTFOLIO INVESTORS	7	10460622	2.62
5	HUF	895	1355222	0.34
6	INDIAN FINANCIAL INSTITUTIONS	1	88815	0.02
7	BODIES CORPORATES	250	26618702	6.68
8	MUTUAL FUNDS	1	2334565	0.59
9	NBFC	1	500	0.00
10	NON RESIDENT INDIANS	125	481242	0.12
11	NRI NON-REPATRIATION	45	383367	0.10
12	COMPANY PROMOTERS	2	77351078	19.41
13	RESIDENT INDIVIDUALS	15735	57658967	14.47
14	TRUSTS	2	861290	0.22
	<b>Total:</b>	<b>17091</b>	<b>398511188</b>	<b>100.00</b>

• **DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017**

S.No	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	15481	90.58	8462274.00	1.06
2	5001 - 10000	683	4.00	5264624.00	0.66
3	10001 - 20000	390	2.28	6072348.00	0.76
4	20001 - 30000	124	0.73	3166640.00	0.40
5	30001 - 40000	79	0.46	2838188.00	0.36
6	40001 - 50000	57	0.33	2669580.00	0.33
7	50001 - 100000	104	0.61	7590758.00	0.95
8	100001 & ABOVE	173	1.01	760957964.00	95.48
	<b>Total:</b>	<b>17091</b>	<b>100.00</b>	<b>797022376.00</b>	<b>100.00</b>



**SUMMARY OF SHAREHOLDING**

S.No	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	24	2101157	0.53
2	NSDL	11307	294818838	73.98
3	CDSL	5760	101591193	25.49
	<b>Total:</b>	<b>17091</b>	<b>398511188</b>	<b>100.00</b>

• **OUTSTANDING GDRS/ADRS etc.**

The Company has not issued any GDR, ADR or any convertible instruments pending conversion or any other instrument likely to impact equity share capital of the company.

• **COMPLIANCE OFFICER**

Mr. R Siddharth,

CFO cum Company Secretary and Compliance Officer,

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

E-mail: secl@ccclindia.com Website: www.ccclindia.com

• **REGISTRARS AND SHARE TRANSFER AGENTS**

**M/s. Karvy Computershare Pvt Ltd**

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Phone : +91 40 67161559

For and on behalf of the Board of Directors

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)

Place: Chennai  
Date: August 22, 2017



## CONFIRMATION ON CODE OF CONDUCT

To  
The Members of Consolidated Construction Consortium Limited  
This is to inform that the Board has laid down a code of conduct for all Board members and senior management of the Company.  
It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2017, as envisaged in the Regulation 26(3) of SEBI (LODR) Regulations, 2015.

For and on behalf of the Board of Directors

Place: Chennai  
Date: 30.05.2017

S.Sivaramakrishnan  
Managing Director  
(DIN: 00431791)

## COMPLIANCE CERTIFICATE BY CEO / CFO

To  
The Board of Directors  
Consolidated Construction Consortium Ltd.

We, R.Sarabeswar Chairman & CEO and R.Siddharth, Chief Financial Officer of Consolidated Construction Consortium Limited to the best of our knowledge and belief, certify that

- (i) we have reviewed the Balance Sheet as at March 31, 2017 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same, notes there to (together known as financial statements).
- (ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.
- (iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (v) we accept responsibility for establishing and maintaining internal controls for financial reporting. (vi)

- we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit Committee.
  - (viii) we have indicated to the auditors of the Company and the Audit Committee that there were
    - a) no significant changes in internal control over financial reporting during the year covered by this report;
    - b) no significant changes in accounting policy has been made during the year covered by this report;
    - c) no significant instances of fraud detected during the year ending March 31, 2017

Place: Chennai  
Date : 30.05.2017

**R.Sarabeswar**  
Chairman & CEO  
(DIN: 00435318)

**R.Siddharth**  
Chief Financial Officer



## INDEPENDENT AUDITOR'S CERTIFICATE

To  
The Members of  
Consolidated Construction Consortium Ltd.

1. We, ASA & Associates LLP, Chartered Accountants (Firm's Registration No.: 009571N /N50006), as Statutory Auditors of Consolidated Construction Consortium Limited ("the Company"), having its Registered Office at No.5, II Link street, C.I.T Colony, Mylapore, Chennai - 600004, have examined the compliance of conditions of corporate governance by the Company, for the year ended on 31 March 2017 as stipulated in Regulation 27 read with Part E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, of the Company with the stock exchanges.
2. We have been requested by the Management of the Company to provide a certificate on compliance of corporate governance under the Listing Regulations, as amended from time to time.
3. The Management is responsible for the compliance of conditions of corporate governance. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Schedule V of Listing Regulations, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**S. Sundar Rajan**  
Partner  
Membership No: 211414

Place : Chennai  
Date : May 30, 2017



## INDEPENDENT AUDITOR'S REPORT

To The Members of **Consolidated Construction Consortium Ltd.**

### 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Consolidated Construction Consortium Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017; and
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### 5. Emphasis of Matter

- i. We draw attention to Note 5.1 to the standalone financial statements, regarding erosion in the Net-worth of the Company and preparation of the financial statements as a Going Concern based on the assessment of its ability to continue as a Going Concern by the Management.
- ii. We draw your attention to Note 5.7 to the standalone financial statements, regarding uncertainties relating to recoverability of trade receivables amounting to Rs. 26,292 lakhs and provisions thereon for Rs. 9,274 lakhs by the management based on the assessment of recoverability; Further the recoverability of the dues from customers under arbitration amounting to Rs 36,642 lakhs depends on the outcome of the matters and work done unbilled amounting to Rs 15,500 lakhs included under the Work-in-progress where the claims are currently under negotiation/ discussion the impact of which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements.

Our opinion is not qualified/modified in respect of these matters.

### 6. Report on Other Legal and Regulatory Requirements

- 6.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



6.2 As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer **Note 5.13** to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th Nov 2016 to 30th December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether disclosures are in accordance with the books of account maintained by the company and as produced to us by the management. (Refer note 5.14).

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**S Sundar Rajan**  
Partner  
Membership No:211414

Place : Chennai  
Date : May 30, 2017



### Annexure-A to the Independent Auditors' Report

Referred to in paragraph 6.1 of the Independent Auditors' Report of even date to the members of Consolidated Construction Consortium Limited on the standalone financial statements for the year ended March 31, 2017

- (i) a. The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
- b. The company has a regular programme of physical verification of major items of fixed assets at periodical interval. Pursuant to the program, certain major items of fixed assets were covered by physical verification during the year and no material discrepancies were noticed by the management;
- c. In our opinion and according to the information and explanation given to us, the title deed of immovable property being land is in the name of the Company. However, the same is offered as Collateral for the loans taken by the Company.
- (ii) As explained to us, the inventories including site materials, stores and construction aids have been physically verified by the management at reasonable intervals and informed that no material discrepancies were noticed on such physical verification;
- (iii) According to the information and explanations given to us and records of the company examined by us, the Company has granted interest free unsecured loans to its wholly owned subsidiary companies and Step down subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013. In the absence of any schedule of repayment we could not report on the overdue amounts as required under clause (iii) of the Order, 2013;
- (iv) According to the information and explanation given to us, in respect of the loan granted, investments made and guarantees provided provisions of Sections 185 and Sections 186 of Companies Act 2013 read with Rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014 have been complied with except for charging of Interest on the loans as required u/s.186(7) of the Act;
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of services provided and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax/Value Added Tax(VAT), wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Undisputed statutory dues outstanding for more than six month from the date it became payable is mentioned in the tabled below:

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source	1,36,56,650	July 2016 to Sep 2016	7th day of succeeding month	Not remitted as on the date of the report

- b. According to the information given to us, the particulars of dues of income-tax, sales-tax/ Value Added Tax(VAT), wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of a dispute as at March 31, 2017 are as follows:

(` in lakhs)

Name of Statute	Nature of Dispute	Reference	Amount	Periods to which the amount relates (F.Y.)	Forum where the disputes are pending
Kerala VAT	Sales made to SEZ claimed as exempt (Extension of benefit in KGST Sought)	Assessment No. D/753/06/2005-06 dated 31.07.2008	55.10	2005-2006	Appellate Assistant Commissioner, Cochin
Karnataka VAT	Inputs Rejected by applying the Centum industries judgement i.e input is taken in a particular tax period which is not relevant to that period	Assessment dated 31/03/2015	165.77	2010-2011	We appealed with FAA (Joint Commissioner of Commercial Taxes Appeals - 3, Bangalore. to justifying the Facts



(` in lakhs)

Name of Statute	Nature of Dispute	Reference	Amount	Periods to which the amount relates (F.Y.)	Forum where the disputes are pending
Karnataka VAT	Inputs Rejected by applying the Centum industries judgement i.e input is taken in a particular tax period which is not relevant to that period	Assessment dated 04/05/2015	173.89	2011-2012	We appealed with FAA (Joint Commissioner of Commercial Taxes Appeals - 3, Bangalore to justifying the Facts
	Disallowance of Margin on sub contract portion, Security service and repairs	Order Dated 19.10.2010	34.22	2009-2010	Joint Commissioner of Commercial tax (Appeals), Bangalore
	Inputs Rejected by applying the Centum industries judgement i.e input is taken in a particular tax period which is not relevant to that period	Assessment dated 12/05/2015	224.86	2012-2013	We appealed with FAA (Joint Commissioner of Commercial Taxes Appeals - 3, Bangalore to justifying the Facts
	Inputs Rejected by applying the Centum industries judgement i.e input is taken in a particular tax period which is not relevant to that period	Assessment dated 04/06/2015	180.86	2013-2014	We appealed with FAA (Joint Commissioner of Commercial Taxes Appeals - 3, Bangalore to justifying the Facts
		Assessment order dated 28/04/2016	488.62	2014-2015	Writ petition before HC Karnataka
TNVAT	Inclusion of turnover of SEZ under Section 6 TNVAT and Stock Transfers	Based on Sworn Statement	407.85	Jan. 2007 to March 2008	Commercial Tax Officer, Chennai
	Reversal of Input Tax Credit for SEZ projects, Stock Transfers, Unregistered Purchases and schedule rate variation in RMC	Notice dated 28.11.2011	552.56	April 2008 to March 2010	Commercial Tax Officer, Chennai
R VAT	Tax is already discharged on receipt basis subsequent year but tax is levied based on WCT TDS	Notice dated 26/03/2016	9.51	2008-2009	The Appellate Authority, Commercial Taxes (Appeal)-1 Jaipur
	Tax is already discharged on receipt basis subsequent year but tax is levied based on WCT TDS	Notice dated 26/03/2016	8.38	2009-2010	The Appellate Authority, Commercial Taxes (Appeal)-1 Jaipur
WB VAT	The Sub Contractor expenditure is disallowed	Notice dated 3/12/2015	160.6	2011-2012	The Joint Commissioner, Commercial Taxes, Alipore Charge, Kolkata -700034
	The expenditure is added back to turnover	Assessment order date 29/06/2015	167.62	2012-2013	West Bengal Taxation Tribunal, Salt Lake, Kolkata
Customs Duty	Short payment of Customs Duty for import of Equipment on High Sea Sale	SCN 1908 dated 21.02.2013	2.93	2008-2009	Directorate of Revenue Intelligence, Mumbai
Service Tax	CENVAT Credit on Capital Goods utilized in discharging Service Tax where Notification 1/2006 is availed	Stay Order No.166 to 169/12 obtained from CESTAT on 21/03/2012	8,022.06	April 2006 - Sep. 2008	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai



(` in lakhs)

Name	Nature of Dispute	Reference	Amount	Periods to which the amount relates (F.Y.)	Forum where the disputes are pending
Service Tax	CENVAT Credit on Capital Goods utilized in discharging Service Tax where Notification 1/2006 is availed	Order -in-Original No. 19 & 20 /2013 dated 28/02/2013	462.41	Oct. 2009 to Sep. 2010	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		Order -in-Original No. 19 & 20 /2013 dated 28/02/2013	263.70	October 2010 to March 2011	
		SCN 227/2013 dt. 02.07.2013	170.58	April 2011 to March 2012	Commissioner of Service Tax, Chennai
		SCN No. 243/2014 dated 27/08/2014	19.67	April 2012 to June 2012	Joint Commissioner of Service Tax, Service Tax Commissionerate, Chennai
		SCN No. 02/2015 dated 06/01/2015	21.15	July 2012 to March 2013	Joint Commissioner of Service Tax II Commissionerate, Chennai
		SOD No. 50/2016 dated 25/05/2016	36.77	April 2013 to March 2015	Additional Commissioner of Service Tax, Chennai
	Service Tax demanded on Retention monies held by client as the same is yet to receive from Client by us, Capital Goods used in SEZ Zone and Wrong availment of CVD in respect of 'Schwing Boom Placer' and CENVAT Credit on Capital Goods utilized in discharge	Order -in-Original No. 65/2011 dated 30/11/2011	446.21	2008-2009	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		Order -in-Original No. 66/2011 dated 30/11/2011	394.74	2009-2010	
		Order -in-Original No. 50 & 51 -13-14 dated 22/01/2014	80.17	2010-2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
	Order -in-Original No. 50 & 51 -13-14 dated 22/01/2014	13.76	April 2011 to June 2011		
	Service Tax	Service Tax on Works Contract Service provided to M/s. Bangalore Metropolitan Transport Corporation, Bangalore	SOD No. 237/2013 dated 10/07/2013	93.07	Sep 2011 to Sep 2012
SOD No. 29/2014 dated 09/12/2014			6.05	Oct 2012 to June 2014	Joint Commissioner of Service Tax II Commissionerate, Chennai



(` in lakhs)

Name	Nature of Dispute	Reference	Amount	Periods to which the amount relates (F.Y.)	Forum where the disputes are pending
Service Tax	Short Payment of Service Tax on Rebate Allowed by the Sub-Contractors	SCN No. 174/2014 dated 23/07/2014	41.07	April 2011 to Sep 2012	Commissioner of Service Tax (Appeals-II), Service Tax Commissionerate, Chennai
		SOD No. 30/2014 dated 09/12/2014	20.20	Oct 2012 to Mar 2014	Commissioner of Service Tax (Appeals-II), Service Tax Commissionerate, Chennai
		SOD No 01/2017 dated 06/02/2017	10.22	April 2014 to Sep 2015	Assistant Commissioner of Service Tax, Chennai
Central Excise Act, 1944	Levy of Excise Duty on manufacture of Ready Mix Concrete vide Notification 1/2011 dated 1.3.2011 for removal from a Batching plant located outside the Project location and used exclusively for the project.	O/o No.27/2013 dated 30/05/2013 & Appeal No.59/2013 dt. 16/08/2013	14.78	April 2011 to January 2012	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		O/o No.147/2013 dated 30/12/2013 & Appeal No.17/2014 (M-IV) dt. 03/03/2014	1.02	February 2012 to March 2012	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		O/o No.10/2013 dated 28/01/2013 (REFUND) & Appeal No.32/2013 (M-IV) dt. 26/04/2013	1.62	March 2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		O/o No.02/2013 dated 21/02/2013 & Appeal No.31/2013 (M-IV) dt. 25/04/2013	3.96	July 2011 to March 2012	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		O/o 10/2014 dated.30/05/2014 & Appeal No. 58/2014 (M-IV) dated 13/08/2014	25.05	April 2012 to March 2013	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai
		Order-in-Appeal No. 204 dated 09/01/2014	4.39	2011-2012 ( March 2011 to Jan 2012)	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi
		SCN No. 66/2011-12/2273 dt 30.07.2013	4.59	Aug 2012- Dec 2012	Commissioner of Central Excise,(Appeals), New Delhi
		O/o No.MLR-EXCUS-000-UDDN-JTC-KDK-029-14-15 dt. 23/07/2014	10.07	May 2011 to Jan- 2013	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore



(` in lakhs)

Name	Nature of Dispute	Reference	Amount	Periods to which the amount relates (F.Y.)	Forum where the disputes are pending
Central Excise Act, 1944	Levy of Excise Duty on manufacture of Ready Mix Concrete vide Notification 1/2011 dated 1.3.2011 for removal from a Batching plant located outside the Project location and used exclusively for the project.	SCN 843 dt. 09/04/2014	4.78	Jan 2013 to June 2013	The Assistant Commissioner of Central Excise, Division - VI, Nehru Place, New Delhi
		SCN 22/2014 dt. 28/04/2014	16.36	April 2013 to March 2014	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Chennai

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution or banks or debenture holders as at the balance sheet date.
- (ix) According to the information and explanations provided to us and examination of the books of account, Company has not raised any moneys by way of initial public offer or further public offer or the term loans. Accordingly, reporting as to application of the moneys under clause (ix) of the Order is not applicable.
- (x) According to the information and explanation provided to us, there were no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) According to the information and explanation provided and records of the company examined by us, no managerial remuneration is paid or provided during the year; During the year ended March 31, 2014 the company had paid Rs.118 lakh excess remuneration to its whole-time directors approval for which is pending from Central Government;
- (xii) The Company is not a Nidhi Company;
- (xiii) According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to the information and explanation given to us, the company has not entered into any non-cash transactions with the directors or persons connected with him;
- (xvi) According to the information and explanation provided to us the Company is not a Non- Banking Financial Corporation and accordingly registration under section 45IA of the Reserve Bank of India Act, 1934 is not required.

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**S Sundar Rajan**  
Partner  
Membership No:211414

Place : Chennai  
Date : May 30, 2017



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 6.2 (f) of the Independent Auditors' Report of even date to the members of Consolidated Construction Consortium Limited on the standalone financial statements for the year ended March 31, 2017 with regard to report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Consolidated Construction Consortium Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**S Sundar Rajan**  
Partner  
Membership No:211414



## Balance Sheet as at 31.03.2017

	Notes	31.03.2017	31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Share Holders' Funds</b>			
Share Capital	3.1	797,022,376	797,022,376
Reserves and Surplus	3.2	(1,122,414,335)	217,146,698
<b>Non-current Liabilities</b>			
Long-term borrowings	3.3	5,216,402,582	4,985,655,401
<b>Current Liabilities</b>			
Short-term borrowings	3.4	7,175,279,535	6,218,453,055
Trade payables	3.5	2,573,319,884	2,839,044,455
Other current liabilities	3.6	330,793,689	603,395,872
<b>TOTAL</b>		<b>14,970,403,731</b>	<b>15,660,717,857</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Property, Plant & Equipment	3.7	943,414,608	873,973,965
Capital work-in-progress		225,811,713	225,811,713
Non Current Investments	3.8	256,141,211	305,006,506
Deferred tax assets (net)	3.9	798,179,736	798,177,195
Long-term loans and advances	3.10	131,186,912	131,921,194
<b>Current Assets</b>			
Trade Receivables	3.11	5,078,044,726	5,617,086,271
Inventory	3.12	1,590,147,267	1,910,850,780
Cash and cash Equivalents	3.13	247,279,185	199,105,707
Short Term Loans and Advances	3.14	2,031,330,988	1,927,362,077
Other current assets	3.15	3,668,867,385	3,671,422,449
<b>TOTAL</b>		<b>14,970,403,731</b>	<b>15,660,717,857</b>

The accompanying notes are integral part of the Financial Statements

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Statement of Profit and Loss for the year ended 31.03.2017

	Notes	31.03.2017	31.03.2016
<b>INCOME</b>			
Revenue from operations	4.1	5,741,854,728	3,899,728,405
Other Income	4.2	93,343,053	122,292,370
<b>Total Revenue</b>		<b>5,835,197,781</b>	<b>4,022,020,775</b>
<b>EXPENSES</b>			
Cost of Materials consumed	4.3	3,028,706,106	1,801,131,142
Subcontracts and Special Agencies	4.4	1,477,328,837	1,454,196,924
Other operating expenses	4.5	462,043,615	330,122,722
Employee Cost	4.6	431,445,992	563,529,720
Sales and Administration and Other Expenses	4.7	399,166,559	167,977,908
Finance Cost	4.8	1,273,425,790	1,296,590,684
Depreciation	3.7	102,644,458	116,096,641
<b>Total Expenses</b>		<b>7,174,761,357</b>	<b>5,729,645,741</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(1,339,563,576)</b>	<b>(1,707,624,966)</b>
Extrodinary items		-	21,572,319
Profit before tax (including share of profit attributable to the parties under the consortium agreement) (VII - VIII)		(1,339,563,576)	(1,729,197,285)
Share of profit payable to the party under the consortium agreement			-
Profit before tax		(1,339,563,576)	(1,729,197,285)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(2,541)	(4,552)
<b>Profit / (loss) for the period from continuing operations</b>		<b>(1,339,561,035)</b>	<b>(1,729,192,733)</b>
Profit / (loss) from discontinuing operations			
Tax expense of discontinuing operations			
<b>Profit / (loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the period</b>		<b>(1,339,561,035)</b>	<b>(1,729,192,733)</b>
Earnings per Equity Share:			
Basic / Diluted	4.9	(3.36)	(5.93)

The accompanying notes are integral part of the Financial Statements

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Notes forming part of accounts - 31.03.2017

### Note – 1. BUSINESS PROFILE :

Consolidated Construction Consortium Ltd. (The Company) is a public limited company incorporated under the provisions of the Companies Act., and its shares are listed in two Stock Exchanges in India (BSE and NSE). The company is an integrated turnkey construction service provider having pan India presence with expertise in construction design, engineering, procurement, construction and project management. The Company also provide construction allied services such as Mechanical & Electrical, Plumbing, Fire Fighting, Heating, ventilation and air conditioning, interior fit out services and glazing solutions. The Company also caters to the requirements of Ready mix concrete, Solid blocks and pre - cast items for clients.

The company has promoted wholly owned subsidiaries to carry on the business of glazing, interiors, power, infrastructure and sector specific SEZ services.

### Note – 2 SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation and Use of Accounting Estimates:

The financial statements are prepared under the Historical Cost convention, on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India (IGAAP) including the Accounting standards notified under the provisions of Companies Act, 2013.

Further, the guidance notes / announcements issued by the institute of Chartered accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI Guidelines, override the same requiring a different treatment.

The preparation of Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the period, the reported balances of Assets and Liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible fixed assets, contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under the employee retirement benefit plans, etc. Actual results could differ from those estimates and differences, if any, are recognized in the period in which results are known.

#### 2.2 Presentation of Financial Statements

The Balance sheet and statement of profit and loss are prepared in the format prescribed in the Schedule III to the Company's Act, 2013. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

With respect to Herve Pomerleau – CCCL, a joint venture wherein the company is having substantial shareholding, in line with principle of substance over form, its income from operations and it's related expenditure together with the assets and liabilities are grouped under respective heads in the financial statements of the company and the share of profit of the other joint venturor is dealt with appropriately.

#### 2.3 Revenue Recognition:

##### a. Revenue from Construction Contracts:

- i. Revenue recognition and valuation of contract WIP are as per Accounting standard 7 –Construction Contracts
- ii. Fixed Price Contracts: Contract revenue is recognized only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method which are duly netted for applicable taxes.
- iii. Stage / percentage of completion is determined with reference to the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs or surveys of work performed depending on the nature of the contract.
- iv. Stage / Percentage of completion is determined with reference to the Certificates given by the clients/management as well as on the billing schedule agreed with them, for the value of work done during the year.
- v. Valuation of Contract WIP:  
At Realizable Sale Value on Percentage Completion method in respect of contracts where the outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, no profit is being recognized. Expected losses on contracts are assessed periodically and recognized immediately.

##### b) Sales / Service:

- i. Sale of building products exclude the respective States' VAT and are stated net of discounts recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract
- ii. Service Income from designing charges excludes applicable Service Tax and are stated net of discounts.



## Notes forming part of accounts - 31.03.2017

### c) Other Operational Revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

### d) Other Income

- I. Dividends on Investments are accounted on the basis of declaration of dividends on the underlying investments.
  - II. Interest income is recognized using the time proportion method taking into account the amounts invested and the applicable rate of interest.
- e) Other items of income are accounted as when the right to receive arises.
- f) Profit or Loss on Contracts executed by Joint ventures under profit sharing arrangements (being jointly controlled entities, in terms of Accounting Standards 27, "Financial reporting of Interests in Joint ventures"), is accounted as and when the same is determined by the Joint Venture. Revenue from services rendered to such Joint ventures is accounted on accrual basis. In determining this policy due weightage is given to the principle of Substance over Form.

### 2.4. Employee Benefits:

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

- a. **Gratuity:** Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.
- b) **Provident Fund:** Provident fund is a defined contribution plan with the Regional Provident Fund Commissioner and the contribution made during the year as per the plan is expensed.

### 2.5. Fixed Assets and Depreciation:

#### a. Property, Plant & Equipment:

Property, Plant & Equipment are stated at cost net of tax duty credits availed, accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct / indirect costs incurred to bring the asset to its working condition for its intended use.

#### b. Depreciation:

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) method. Depreciation is provided based on useful life of the assets prescribed in Schedule II of the Companies Act, 2013.

### 2.6. Impairment of Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use, estimated periodically, is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### 2.7. Leases:

Assets acquired under leases where substantially all the risks and rewards of ownership are retained by the company are classified as finance leases.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

### 2.8. Investments:

- I. Investments are classified as Long Term and Current investments. Long Term Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value, determined on the basis of specific identification.
- II. The Company has securities (trade & non-trade), immovable properties and investments in Partnership firms and Joint Ventures, which are classified as referred to above.

### 2.9. Inventories:

Inventory of Construction materials is valued at lower of cost and net realizable value. The cost is determined under FIFO method. Cost of manufactured goods includes related overheads.

### 2.10. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.



### **2.11. Foreign Currency Transactions:**

The Company has adopted Accounting Standard (AS) -11 (Revised 2003) in respect of Foreign Currency transactions.

Pursuant to the above, Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate on the date of such transaction. All exchange differences arising on settlement/conversion of foreign currency transactions are charged off / credited to the Statement of profit and loss.

### **2.12. Taxation:**

- a. **Current Tax:** Provision for current income tax is made based on the estimated tax liability in accordance with the relevant tax rates and tax laws. Current tax is payable on taxable profits, which differ from profit or loss in the financial statements. Current tax is computed based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- b. **Deferred Tax:** Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **2.13. Extraordinary and exceptional items:**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events / transactions is made in the financial statements. Similarly any external events beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the company, is such that its disclosure improves a understanding of the performance of the company. Such income or expense if classified as an exceptional item and accordingly disclosed in the notes of accounts.

### **2.14. Accounting for Interests in Joint ventures:**

Interest in Jointly controlled entities and operations is accounted as follows:

- a. Company's share in profits or losses is accounted on determination of the Profit or loss by the Joint venture.
- b. Investment is carried at cost net of Company's share in recognized profit or loss.

### **2.15. Earnings Per Share (EPS):**

In arriving at the Basic EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period.



## Notes forming part of accounts for the year ended - 31.03.2017

The previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year presentation

	31.03.2017	31.03.2016
<b>NOTE - 3.1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital :</b>		
58,50,00,000 Equity Shares of Rs. 2 each (PY 58,50,00,000 Equity Shares of Rs. 2 each)	1,170,000,000	1,170,000,000
<b>Issued Capital</b>		
39,85,11,188 Equity Shares of Rs. 2 each (PY 39,85,11,188 Equity Shares of Rs. 2 each)	797,022,376	797,022,376
<b>Subscribed and Paid-up Capital</b>		
39,85,11,188 Equity Shares of Rs. 2 each (PY 39,85,11,188 Equity Shares of Rs. 2 each)	797,022,376	797,022,376
<b>Total</b>	<b>797,022,376</b>	<b>797,022,376</b>
<b>NOTE - 3.2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve :</b>		
Balance as at the beginning of the year	979,269,053	979,269,053
Balance as at the end of the year A	<b>979,269,053</b>	<b>979,269,053</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(3,721,624,366)	(1,992,431,634)
Loss for the Year	(1,339,561,035)	(1,729,192,733)
	(5,061,185,401)	(3,721,624,367)
Balance as at the end of the year B	<b>(5,061,185,401)</b>	<b>(3,721,624,367)</b>
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	2,959,502,012	2,561,956,842
Add : Additions during the year	-	397,545,170
Balance as at the end of the year C	2,959,502,012	2,959,502,012
<b>TOTAL</b>	<b>(1,122,414,336)</b>	<b>217,146,698</b>



## Notes forming part of accounts - 31.03.2017

		31.03.2017	31.03.2016
<b>NOTE - 3.3</b>			
<b>Long Term Borrowings:</b>			
<b>Secured</b>			
12.65% Non Convertible Debentures ( NCD) and Funded Interest Term Loan		200,000,000	200,000,000
Restructured Term Loan from Banks		4,724,838,021	4,488,130,401
Total	A	4,924,838,021	4,688,130,401
<b>Unsecured</b>			
Unsecured Loan From Promoters		291,564,561	297,525,000
Total	B	291,564,561	297,525,000
<b>Total</b>	<b>(A+B)</b>	<b>5,216,402,582</b>	<b>4,985,655,401</b>
<hr/>			
		31.03.2017	31.03.2016
<b>NOTE - 3.4</b>			
<b>Short-term borrowings</b>			
<b>Secured:</b>			
Working Capital Loans		7,175,279,535	6,218,453,055
<b>Total</b>		<b>7,175,279,535</b>	<b>6,218,453,055</b>
<hr/>			
		31.03.2017	31.03.2016
<b>NOTE - 3.5</b>			
<b>Trade Payable</b>			
Sundry Creditors		2,097,171,037	2,337,198,981
Advance from customers		476,148,847	501,845,474
<b>Total</b>		<b>2,573,319,884</b>	<b>2,839,044,455</b>
<hr/>			
		31.03.2017	31.03.2016
<b>NOTE - 3.6</b>			
<b>Other Current Liabilities</b>			
Current maturities of long-term debt		-	267,160,000
Employee Benefits payable		258,126,248	263,691,833
Statutory Deductions Payable including PF and Tax Deducted at Source		51,254,709	36,126,370
Security Deposit Received		273,540	1,158,625
Unclaimed Dividends		99,108	99,108
Other Liabilities for expenses		21,040,084	35,159,936
<b>Total</b>		<b>330,793,689</b>	<b>603,395,872</b>

## Notes forming part of accounts - 31.03.2017

### NOTE - 3.7

#### Fixed Assets

#### Tangible Assets

Particulars	Land - Freehold	Buildings	Building - Temporary Structures	Plant & Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Cost or Valuation</b>								
<b>As on 01.04.2016</b>	296,281,042	205,333,825	1,575,699	1,385,636,385	26,390,654	86,982,352	4,337,973	2,006,537,930
Additions	-	171,248,629	-	193,544	112,221	536,105	-	172,090,499
Deletions / Adjustments	-	-	-	108,000	-	-	-	108,000
<b>As on 31.03.2017</b>	<b>296,281,042</b>	<b>376,582,454</b>	<b>1,575,699</b>	<b>1,385,721,929</b>	<b>26,502,875</b>	<b>87,518,457</b>	<b>4,337,973</b>	<b>2,178,520,429</b>
<b>Depreciation</b>								
<b>As on 01.04.2016</b>	-	71,022,207	1,496,914	949,999,429	21,801,078	84,109,875	4,134,462	1,132,563,965
For the Period	-	6,519,683	-	94,602,844	1,407,097	114,834	-	102,644,458
Deletions / Adjustments	-	-	-	102,600	-	-	-	102,600
<b>Upto 31.03.2017</b>	<b>-</b>	<b>77,541,890</b>	<b>1,496,914</b>	<b>1,044,499,673</b>	<b>23,208,175</b>	<b>84,224,709</b>	<b>4,134,462</b>	<b>1,235,105,823</b>
<b>Net</b>								
<b>As on 31.03.2017</b>	<b>296,281,042</b>	<b>299,040,564</b>	<b>78,785</b>	<b>341,222,256</b>	<b>3,294,700</b>	<b>3,293,748</b>	<b>203,511</b>	<b>943,414,608</b>
<b>As on 31.03.2016</b>	<b>296,281,042</b>	<b>134,311,618</b>	<b>78,785</b>	<b>435,636,956</b>	<b>4,589,576</b>	<b>2,872,477</b>	<b>203,511</b>	<b>873,973,965</b>
<b>Capital Work in progress</b>								
<b>As on 31.03.2017</b>								<b>225,811,713</b>
<b>As on 31.03.2016</b>								<b>225,811,713</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.8</b>		
<b>Non Current Investments (Long Term Investments)</b>		
(Valued at cost less other than temporary diminution in the value if any)		
<b>Non-Trade (Quoted) :</b>		
192 (P.Y. 96) Equity Shares of Infosys Technologies Ltd (` 5/- per share fully paid up)	83,653	83,653
300 (P.Y. 300) Equity Shares of Q Flex Cables India Ltd (` 10/- per share fully paid up)	8,730	8,730
	<u>92,383</u>	<u>92,383</u>
Less: Diminution (other than temporary) in value of shares	<u>8,730</u>	<u>8,730</u>
	<b>83,653</b>	<b>83,653</b>
<b>Trade (Unquoted)</b>		
<b>Shares</b>		
<b>In Wholly owned subsidiaries</b>		
6,778,450 (P.Y. 6,778,450) Equity Shares of Consolidated Interiors Limited ` 10 each fully paidup	67,784,500	67,784,500
Less: Provision for diminution (other than temporary) in the value of shares.	<u>67,784,500</u>	<u>67,784,500</u>
22,910,000 (P.Y. 9,420,000) Equity Shares of CCCL Infrastructure Ltd ` 10 each fully paidup	229,100,000	229,100,000
1,650,000 (P.Y. 1,650,000) Equity Shares of Noble Consolidated Glazings Ltd ` 10 each fully paidup	16,500,000	16,500,000
Less: Provision for diminution (other than temporary) in the value of shares.	<u>16,500,000</u>	<u>16,500,000</u>
50,000 (P.Y. 50,000) Equity Shares of CCCL Power Infrastructure Ltd ` 10 each fully paidup	500,000	500,000
Less: Provision for diminution (other than temporary) in the value of shares.	<u>500,000</u>	<u>500,000</u>
4,500,000 (P.Y. 4,500,000) Equity Shares of Delhi South Extension Car Park Ltd ` 10 each fully paidup	45,000,000	45,000,000
Less: Provision for diminution (other than temporary) in the vau of shares	<u>45,000,000</u>	<u>45,000,000</u>
	<b>229,183,653</b>	<b>229,183,653</b>
<b>Other Investments</b>		
Immovable Properties	8,244,980	8,244,980
Partnership Firms (Balances in Capital and Current Account)	18,712,578	67,577,873
	<u>256,141,211</u>	<u>305,006,506</u>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.9</b>		
<b>Deferred Tax Asset (Net)</b>		
Opening Balance	798,177,195	798,172,643
Deferred Tax Liabilities	-	-
Deferred Tax Assets (Note 5.11 a)	2,541	4,552
<b>Deferred Tax Asset (Net)</b>	<b>798,179,736</b>	<b>798,177,195</b>
<b>NOTE - 3.10</b>		
<b>Long-term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Loans and advances to wholly owned subsidiaries	449,439,590	460,703,842
Less: Provision towards Doubtful Recoveries on account of losses.	(318,252,678)	(328,782,648)
<b>Total</b>	<b>131,186,912</b>	<b>131,921,194</b>
<b>NOTE - 3.11</b>		
<b>Trade Receivables (Unsecured, Considered Good)</b>		
<b>CONTRACT WORK IN PROGRESS :</b>		
<b>A. Contract Work in Progress for Ongoing Jobs</b>		
(Value as estimated and certified by the Management)		
Total Contract Work in Progress for Ongoing Jobs	15,700,149,884	16,730,480,919
Less: Progress Payments received	12,284,601,679	13,426,262,108
<b>A</b>	<b>3,415,548,205</b>	<b>3,304,218,811</b>
<b>B. Trade Receivables for the Completed Jobs and Sale of Building Products</b>		
<b>B</b>	<b>1,662,496,521</b>	<b>2,312,867,460</b>
<b>Total</b>	<b>5,078,044,726</b>	<b>5,617,086,271</b>
<b>Trade receivables include:</b>		
<b>Unsecured:</b>		
Debt outstanding for more than 6 months		
Considered Good	1,365,796,774	970,430,132
Considered Doubtful	927,445,807	727,034,345
<b>A</b>	<b>2,293,242,581</b>	<b>1,697,464,477</b>
<b>Other Debts</b>		
Considered Good	336,013,039	1,342,437,329
Considered Doubtful	-	-
<b>B</b>	<b>336,013,039</b>	<b>1,342,437,329</b>
<b>A+B</b>	<b>2,629,255,620</b>	<b>3,039,901,805</b>
Less: Allowance for Bad and Doubtful Debts	927,445,807	727,034,345
<b>C</b>	<b>927,445,807</b>	<b>727,034,345</b>
<b>A+B-C</b>	<b>1,701,809,813</b>	<b>2,312,867,460</b>
<b>Trade receivables include:</b>		
Dues from partnership firms in which company is a partner	-	-
Dues from partnership firms in which the company's non-executive director is a partner	-	-
Dues from subsidiary Companies	-	-
Other Debts	1,701,809,813	2,312,867,460
	<b>1,701,809,813</b>	<b>2,312,867,460</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.12</b>		
<b>Inventory</b>		
Construction / Construction Aided Materials	1,590,147,267	1,910,850,780
	<b>1,590,147,267</b>	<b>1,910,850,780</b>
<b>NOTE - 3.13</b>		
<b>Cash and cash Equivalents</b>		
Cash on Hand	658,138	1,208,196
Balances in Current Account with Scheduled Banks	33,184,240	16,515,902
Margin Money Deposit Account with Scheduled Banks	213,337,699	181,282,501
Earmarked balances with banks - unclaimed dividend	99,108	99,108
<b>Total</b>	<b>247,279,185</b>	<b>199,105,707</b>
<b>NOTE - 3.14</b>		
<b>Short Term Loans and Advances</b>		
Trade Advances	353,344,390	410,330,630
Income Tax Refund due	1,033,098,901	913,664,367
Recoverable Service tax and Sales Tax paid.	451,142,121	379,709,670
Prepaid Expenses	2,040,161	2,662,341
Security deposit	86,464,111	74,185,886
Loans to employees	392,894	423,470
Other Advances	104,848,410	146,385,713
<b>Total</b>	<b>2,031,330,988</b>	<b>1,927,362,077</b>
<b>NOTE - 3.15</b>		
<b>Other Current Assets</b>		
Interest accrued but not due on deposits	4,575,111	1,050,468
Due from Customers (Constructions and Project related activity)	3,664,292,274	3,670,371,981
<b>Total</b>	<b>3,668,867,385</b>	<b>3,671,422,449</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.1</b>		
<b>Revenue from operations</b>		
Income from Construction and Project related activities	5,888,058,147	4,030,490,115
Sale of Building Products	-	-
Income from Design	-	-
Gross Revenue from Operations	<b>5,888,058,147</b>	<b>4,030,490,115</b>
Less: Service Tax / Excise Duty / VAT Included in the above	146,203,419	130,761,710
Revenue from operations ( Net )	<b>5,741,854,728</b>	<b>3,899,728,405</b>
<b>NOTE - 4.2</b>		
<b>Other Income</b>		
<b>Interest on :</b>		
Bank deposits	18,182,562	14,514,396
Others - IT Refund / Client	-	86,958,162
Net gain / (Loss) on sale of Fixed assets	74,750	23,735
Net gain / (Loss) on sale of non current / current investments	64,551,511	(1,109,767)
Share of Profit from Firm	(37,648,308)	(27,475,774)
Hire Charges - Machinery	21,432,603	30,786,826
Other Receipts	26,749,935	18,594,792
<b>Total</b>	<b>93,343,053</b>	<b>122,292,370</b>
<b>NOTE - 4.3</b>		
<b>Cost of Materials consumed</b>		
Inventory at the beginning of the year	1,910,850,780	2,191,784,266
Add: Purchases	2,708,002,593	1,520,197,656
	<b>4,618,853,373</b>	<b>3,711,981,922</b>
Less: inventory at the end of the year	1,590,147,267	1,910,850,780
Construction Materials consumed	<b>3,028,706,106</b>	<b>1,801,131,142</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.4</b>		
<b>Subcontracts and Special Agencies</b>		
Subcontract and Special Agencies	1,477,328,837	1,454,196,924
<b>Total</b>	<b>1,477,328,837</b>	<b>1,454,196,924</b>
<b>NOTE - 4.5</b>		
<b>Other operating expenses</b>		
Consumables, Stores, Spares & Tools	172,712,137	154,106,767
Packing & Forwarding	96,715,745	43,512,091
Power and Fuel	103,215,247	72,606,924
Temporary Structures	23,450	79,245
Hire Charges	77,519,243	48,100,846
Repairs to Plant & Machinery	8,051,652	6,100,061
Testing Charges	3,806,141	5,616,788
<b>Total</b>	<b>462,043,615</b>	<b>330,122,722</b>
<b>NOTE - 4.6</b>		
<b>Employee Cost</b>		
Salaries and Allowances	390,686,675	488,458,168
Contributions to:		
Provident Fund	16,699,144	18,466,974
Family Pension / Superannuation / Gratuity	5,636,466	36,452,232
Welfare and Other Expenses	18,423,707	20,152,346
<b>Total</b>	<b>431,445,992</b>	<b>563,529,720</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.7</b>		
<b>Sales and Administration and Other Expenses</b>		
Rent	28,039,047	37,035,647
Rates and Taxes	7,668,097	2,972,323
Travelling & Conveyance	25,849,288	21,895,603
Sales Promotion	2,875,020	8,819,794
Insurance	14,133,702	15,193,359
Communication Expenses	5,521,541	5,873,940
Printing & Stationery	5,620,549	4,842,271
Repairs - Others	13,641,213	8,705,630
Directors Fees	376,000	80,000
Professional Fees		
- To Auditor		
- As Auditor:		
- Audit Fee	2,615,000	2,500,000
- Tax Audit Fee	500,000	500,000
- Limited Review Fee	225,000	225,000
- Taxation matters	392,660	303,372
- Other Services	1,098,250	-
- Reimbursement of Expenses	758,888	525,368
Other Professional Fees	74,192,478	42,798,616
Books & Periodicals	32,870	46,559
Provision for Bad and Doubtful debts	200,411,462	-
Sundries / Miscellaneous Expenses		
- Computer Maintenance	1,408,644	1,348,151
- Staff Recruitment / Training / Safety Expenses	5,151,724	7,552,499
- Pooja Expenses	1,591,018	1,496,098
- Subscription to Clubs/Trade Associations	12,813	12,972
- Tender Document Cost	799,048	733,081
- Other Expenses	6,252,247	4,517,625
<b>Total</b>	<b>399,166,559</b>	<b>167,977,908</b>
<b>NOTE - 4.8</b>		
<b>Finance Cost</b>		
Interest on:		
Working Capital Loan	718,866,525	650,113,494
Restructured Working Capital Term Loan ( Funded )	493,918,609	583,487,375
Bank Charges	42,545,144	45,135,917
Other Interest	18,095,512	17,853,898
<b>Total</b>	<b>1,273,425,790</b>	<b>1,296,590,684</b>



## Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.9</b>		
<b>Earnings Per Share - EPS</b>		
Equity share issued (Nos.)	398,511,188	398,511,188
Weighted Average (Nos.)	398,511,188	291,644,207
Profit After Tax (₹ In millions)	(1,340)	(1,729)
Less: Dividend and tax thereof (₹ in lakhs)	-	-
Profit available for Equity Shareholders (₹ In millions)	(1,340)	(1,729)
Basic / Diluted EPS (₹)	(3.36)	(5.93)

### 5. OTHER NOTES

#### 5.1 Current Financial Condition, Mitigating Factors & “Going Concern”

##### A. Financial Condition:

- Net-worth of the company has eroded fully during the financial year 2016-17. The Company has been incurring cash loss since the financial year 2012-13. Wholly owned subsidiaries have also been incurring cash loss since 2013 and the net-worth of all the subsidiaries have also been fully eroded. Further, the company has been facing difficulties in discharging the statutory dues and full and final settlement of retired / resigned employees. Negative Net worth of the stand-alone financials as at 31/3/2017 is Rs.3253.97 Lacs
- Wholly owned Subsidiary Companies have incurred a collective loss of Rs 2,313.78 Lacs (PY Loss Rs 1,249.25 Lacs) for this year.

##### B. Mitigating Factors & Going Concern:

- Operations of the Company have improved considerably as compared to last year posting total increase in turnover of Rs.18421.26 Lacs, reduction in loss to the extent of Rs.3896.33 Lacs as compared to last year ended 31.03.2016 and positive cash inflow from the operating activities during the year 2016-17.
- S4A scheme of the Company has been approved by the Overseeing Committee on May 02, 2017 where in the total debt of the company has been bifurcated into sustainable and unsustainable debt based on the performance of the company as at 31/12/2016. Unsustainable portion of the debt will be converted into Optionally Convertible Debentures (OCD) which will result in substantial reduction in the interest cost from the financial year 2017-18.
- The Company is in advanced stage of discussion with strategic / financial investors for investment into the equity / debt of the Company.
- Further, the company has got confirmed new orders on hand for an amount of Rs 32,728 Lacs to be executed/ commenced during the financial year 2017-18.

Considering all the above mitigating factors, company is positively looking at the scenario as a “Going Concern”.

#### 5.2 Sustainable Structuring of Stressed Assets (S4A scheme)

During the year under audit, the Company has made an application for restructuring of debts under the Scheme for Sustainable Structuring of Stressed Assets (S4A scheme). The Joint Lender’s Forum (JLF) of the lenders adopted the S4A Scheme with the reference date as November 11, 2016 and approved by the Reserve Bank of India’s mandated Overseeing Committee (OC) on May 2, 2017. Under the S4A scheme, out of the total outstanding debts of Rs.1,19,568 Lacs, debts amounting to Rs.61,039 Lacs have been classified into sustainable debt, to be serviced as per existing terms and conditions to those debts, and of the remainder debts Rs.57955 Lacs will be converted into optionally convertible debentures (OCDs) collectively in favour of the lenders. The Company is in the process of implementing the S4A scheme.

#### 5.3. Related party transactions:

##### A. Related parties:

###### Particulars

Wholly Owned Subsidiaries

###### Name of the Entity

- Consolidated Interiors Limited
- Noble Consolidated Glazings Limited
- CCCL Infrastructure Limited
- CCCL Power Infrastructure Limited
- Delhi South Extension Car Park Limited



## Notes forming part of accounts - 31.03.2017

Step – down Subsidiary

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Joint Ventures

Relatives of Key Management personnel

Key management personnel

CCCL Pearl City Food Port SEZ Limited

**A. Companies:**

i. Yuga Homes Ltd

**B. Partnership Firms:**

i. Samruddhi Holdings

ii. Yuga Agates

**Partnership Firms:**

i. Yuga Builders

ii. Yuga Developers\*

i. Mrs.Usha – Spouse of wholetime director

ii. Mr. Kaushik Ram .S - Son of wholetime director

iii. Ms. Vidya Janarthanam - Daughter of Whole Time Director

**A. Whole Time Directors:**

R. Sarabeswar

S. Sivaramakrishnan

V.G. Janarthanam

\* Exited from the partnership during the year and hence not considered for consolidation.

### b. Transactions during the year

(` In Lacs)

Sl	Particulars	Subsidiaries / Step down Subsidiaries	Joint Ventures / Consortium Arrangements	Key Management Personnel and relatives	Enterprises owned or significantly influenced by Key Management Personnel or their Relatives
1.	Share of Profit/ (Loss) from Investments	– –	<b>376.48</b> <i>(274.76)</i>	– –	–
2.	Loans Granted	<b>1.81</b> <i>93.71</i>	–	–	–
3.	Loans Taken	<b>114.46</b> <i>5738.89</i>	–	–	–
4.	Advances Granted	-- –	–	–	–
5.	Gross Works Contract Receipts	- -	-- <i>472.73</i>	–	–
6.	Sub-Contract Jobs	<b>84.82</b> --	–	–	–
7.	Remuneration	–	–	<b>60.00</b> <i>60.00</i>	–

Current year figures are **highlighted** and previous year figures are in *Italics*

### c. Cumulative balances outstanding

(` In Lacs)

Particulars	Subsidiaries / Step down Subsidiaries	Joint Ventures / Consortium Arrangements	Key Management Personnel and relatives	Enterprises owned or significantly influenced by Key Management Personnel or their Relatives
Debit balances outstanding as at 31.03.2017	<b>4,279.01</b> <i>4,391.65</i>	–	–	–
Credit balances outstanding as at 31.03.2017	–	<b>207.20</b> <i>1016.55</i>	–	–



## Notes forming part of accounts - 31.03.2017

- d. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year. ( ` In Lacs)

Sl.No.	Particulars	2016-17	2015-16
1.	Share of Loss from Partnership Firms Yuga Builders Yuga Developers Profit on sale of Investments in Yuga Developers	(376.48) - 645.52	(274.68) (0.072) -
2.	Loans Granted / (Taken) <b>Wholly Owned Subsidiaries</b> Noble Consolidated Glazings Limited Consolidated Interiors Limited CCCL Infrastructure Limited Delhi South Extension Car Park Limited CCCL Power Infrastructure Limited <b>Step down Subsidiary</b> CCCL Pearl City Food Port SEZ Ltd	- (105.29) (8.33) - 1.81 (0.84)	81.29 1.40 (5523.50) (215.38) 0.17 10.85
3.	<b>Gross Works Contract Receipts / Operating Income</b> Yuga Builders	-	472.73
4.	<b>Sub-Contract Jobs</b> Noble Consolidated Glazings Limited	84.82	-
5.	<b>Remuneration</b> Mr. S. Kaushikram	60.00	60.00
6.	<b>Debit / (Credit) Balances outstanding as on 31.03.2017</b> Noble Consolidated Glazings Limited Consolidated Interiors Limited CCCL Infrastructure Limited CCCL Pearl City Food Port SEZ Ltd Delhi South Extension Car Park Limited CCCL Power Infrastructure Limited	1741.36 844.99 1179.45 129.03 (215.38) 599.55	1741.36 950.29 1187.77 129.86 (215.38) 597.73



## Notes forming part of accounts - 31.03.2017

### 5.4 Particulars of Loans and Advances in the nature of loans as required by clause 32 of the Listing Agreement. ( ` In Lacs)

Sl. No.	Name of the Company	Balance as on		Maximum Outstanding	
		31.03.2017	31.03.2016	2016-17	2015-16
<b>A.</b>	<b>Subsidiaries :</b>				
	Consolidated Interiors Limited	844.99	950.29	844.99	950.29
	Noble Consolidated Glazings Limited	1741.37	1741.36	1741.37	1741.36
	CCCL Infrastructure Limited	1179.45	1187.77	1179.45	1187.77
	CCCL Power Infrastructure Limited	599.55	597.73	599.55	597.73
	CCCL Pearl City Food Port SEZ Limited	129.03	129.86	129.03	129.86
	Delhi south Extension Car Park Limited	(215.38)	(215.38)	(215.38)	(215.38)
<b>B.</b>	<b>Associates</b>				
	Yuga Builders	(207.20)	(1016.55)	-	-
<b>C.</b>	<b>Loans to firms / companies in which directors are interested</b>	-	-	-	-

### 5.5 The Company's interest in Joint Ventures as on March 31, 2017 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the said Entities as on March 31, 2017 are given below: ( ` In Lacs)

Sl.No.	Name of the Joint Venture	Ownership Interest (%)	Assets	Liabilities*	Income	Expenses
1.	Yuga Builders - Integrated Joint Venture Unincorporated, Resident of India	40%	1176.25	1171.25	1397.01	1773.75

\* Excluding Holding company's Capital investment

### 5.6 Segment Reporting:

The company's operations predominantly consist of construction activities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of Company's business has been carried throughout India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

### 5.7 Current Assets:

- Current Assets include Rs. 26,292 Lacs (PY 30399 lacs) grouped under Note 3.11 of billed / claims based on explicit / implicit contractual / commercial terms for projects. These Receivables are periodically reviewed by the company and considering the commercial / contractual terms, the progress in negotiations / arbitration/ the continuing discussions with the clients an amount of Rs. 9,274.46 lacs (PY Rs7,270.34 lacs) has been provided for and the management is confident that no further provision against these dues needs to be considered.
- Other Current Assets of Rs. 36642 lacs are under arbitration. The Management is confident of favourable award and hence has not considered any provision.
- Work in progress of Rs.34155 lacs include claims made to clients amounting to Rs.15500 lacs based on contractual / commercial terms for projects. These are periodically reviewed by the company and continuing discussions with the clients, the management is confident of realising the amount.
- The company has recognized deferred tax assets on account of carried forward unused tax losses and other taxable timing differences aggregating to Rs. 7981 Lacs in the earlier years. Due to continuing losses, as a matter of prudence, the company did not recognize further deferred tax assets subsequently from the FY 2015 onwards. However, based on the mitigating factors as detailed in point 5.1, the management is confident that sufficient future taxable income will be available, against which deferred tax assets already recognized will be realized.

### 5.8 Managerial Remuneration:

Remuneration to Chairman, Managing Director, Executive Director and other Whole-time Directors ( ` in Lacs)

Particulars	FY 2016-17	FY 2015-16
Salaries	-	Nil
Perquisites	0.27	2.06
Commission	-	Nil
<b>Sub-total</b>	<b>0.27</b>	<b>2.06</b>
Contribution to Provident Fund	-	Nil
<b>Total</b>	<b>0.27</b>	<b>2.06</b>

However, the payment of salary at approved levels will be taken up for payments when the company tides over the difficult period.



## Notes forming part of accounts - 31.03.2017

### 5.9 Earnings / Expenditure in Foreign Currency:

(` In Lacs)

Particulars	F.Y.2016-17	F.Y.2015-16
<b>A. Earnings in Foreign Exchange</b>	-	-
<b>B. Expenditure in Foreign Exchange:</b>		
- Import of Materials / Equipments(CIF Value)	707.23	285.20

### 5.10 Disclosures under AS - 7 (Revised)

a. Disclosures as required under AS-7 (Revised) together with the completed contracts are furnished hereunder: (` In Lacs)

SI.No.	Particulars	31.03.2017	31.03.2016
1.	Contract Revenue recognized as Revenue during the year relating to ongoing Jobs	48,221.01	33,867.10
2.	Contract Cost incurred plus recognized profits during the year	73,456.45	59,413.41
3.	Advances received less adjusted	4,761.49	5,018.45

b. Total Revenue recognized for the year: (` In Lacs)

SI.No.	Particulars	31.03.2017	31.03.2016
1.	With respect to Ongoing Contracts (As above)	48,221.01	33,867.10
2.	With respect to completed Contracts	10,659.57	6,437.80
<b>TOTAL</b>		<b>58,880.58</b>	<b>40,304.90</b>

c. Amounts totaling Rs.15901.47 Lacs (P.Y. Rs. 19,108.00 Lacs), representing contract costs relating to future activities have duly been shown separately in the Accounts under current assets.

d. Contract W.I.P. includes a sum of retention money of amounts totaling Rs.12824.79 (P.Y. Rs.13583.09 Lacs) deducted by the customers.

### 5.11 Contingent Liabilities:

#### a. Bank Guarantees and Letter of Credit

(` In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Bank Guarantees	26,121.25	30,579.22
Letter of Credit	940.35	768.68
Buyer Line of Credit	-	-
<b>Total</b>	<b>27,061.60</b>	<b>31,347.90</b>

#### b. Bank Guarantees and Letter of Credit on behalf of Subsidiaries / Joint Ventures - Nil

#### c. Corporate Guarantee(s):

Corporate Guarantees on behalf of its subsidiaries and AOP are as under:

(` in Lacs)

Subsidiary / Joint Venture	As at 31.03.2017	As at 31.03.2016
Consolidated Interiors Limited	1,550.00	1,550.00
Noble Consolidated Glazings Limited	3,627.00	3,627.00
<b>Total</b>	<b>5,177.00</b>	<b>5,177.00</b>

#### d. Demands raised on the company by the respective authorities are as under:

(` in Lacs)

Nature of Statue	As at 31.03.2017	As at 31.03.2016
Service Tax #	10,091.61	11,393.29
Excise Duty	86.20	100.34
VAT / Sales Tax	2,629.84	2107.00
Income Tax	-	2865.89
Customs Duty	2.93	2.93
<b>Total</b>	<b>12,810.58</b>	<b>16469.45</b>

# The Honorable CESTAT has passed an order staying the collection of the demand, in respect of the disputed liability for the period April 2006-September 2008. As the issues involved for the subsequent period are of the similar nature, there is no provision taken in accounts.

Based on the expert opinions obtained, the Company had been advised not making any provision in the Accounts.



## Notes forming part of accounts - 31.03.2017

### 5.12 Employee benefits ( Gratuity )

#### Actuarial assumptions

The following are the principal actuarial assumptions at the reporting data

	31 March 2017
Discount Rate	8.00%
Salary Escalation Rate	5.00%-7.00%
Mortality Rate	LIC (2006-08) Mortality Table
Attrition Rate	1-3%
Method of Valuation	Projected Unit Credit Method

In the absence of the disclosure report as required under AS-15, the same has not been disclosed here.

### 5.13 Claims against the company not acknowledged as debt ` 30.53 Lacs (P.Y. ` 88.92 Lacs).

5.13.1 Estimated amount of contracts remaining to be executed on capital account and not provided for ` Nil (P.Y. ` Nil)

5.13.2 In the absence of profits during the year, the requirement of payment of Trade License fee to the partnership firm, Samruddhi Holdings, owing the trade name / Logo (Triple C) will not arise for the year under reference.

5.13.3 Indian Bank initiated action u/s. 13(4) of the SARFAESI Act, in respect of property situated at Nedungundram village measuring to an extent of 133 cents out of 553 cents being used as Godown by the Company.

Aggrieved with this the Company filed an Appeal before Madras High Court for an injunction restraining Indian Bank against further proceedings. Madras High Court issued an injunction order restraining Indian Bank against initiating any proceedings and also directed to deposit ` 120 Lacs with the Madras High Court Registry. We have deposited ` 120Lacs with the Registry as directed and the same is accounted under the 'Deposit – Others' in our books of Account.

### 5.14 Disclosure to the requirement of Notification G.S.R 308 (E) dated 30.03.2017 relating to Specified Bank Notes:

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	13,14,000	17,54,046	30,68,046
(+) Permitted receipts	-	26,13,133	26,13,133
(-) Permitted payments	-	50,60,933	50,60,933
(-) Amount deposited in Banks / Exchange	13,14,000	13,14,000	-
Closing cash in hand as on 30.12.2016	-	6,20,246	6,20,246

5.15 Previous year's figures have been regrouped / consolidated wherever applicable / required and furnished accordingly, figures have been rounded off to the nearest rupee.

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Cash Flow Statement for the year ended 31.03.2017

	31.03.2017	31.03.2016
<b>Cash flow from operating activities</b>		
Profit / ( Loss) before tax from continuing operations	(1,339,563,576)	(1,707,624,966)
Profit / ( Loss) before tax from discontinuing operations		-
Profit / ( Loss) before tax	(1,339,563,576)	(1,707,624,966)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Share of (profit)/loss from investment in partnership firm	37,648,308	(27,475,774)
Depreciation/amortization on continuing operation	102,644,458	116,096,641
Loss/(profit) on sale of fixed assets	(74,750)	23,735
Provision for Bad and Doubtful Debts	200,411,462	-
Interest expense	1,273,425,790	1,296,590,684
Interest income	(18,182,562)	(14,514,396)
Dividend Income	-	-
<b>Operating profit before working capital changes</b>	<b>256,309,130</b>	<b>(336,904,076)</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(265,724,571)	(736,460,545)
Increase/(decrease) in other current liabilities	(272,602,183)	(1,447,967,924)
Decrease/(increase) in trade receivables / inventories	659,333,596	571,652,643
Decrease / (increase) in long-term loans and advances	734,282	685,666,143
Decrease / (increase) in Deferred tax assets (net)	(2,541)	(4,552)
Decrease / (increase) in short-term loans and advances	(103,968,911)	373,101,158
Decrease/(increase) in other current assets	2,555,064	101,030,536
Cash generated from /(used in) operations	276,633,866	(789,886,617)
Direct taxes paid (net of refunds)	2,541	4,552
<b>Net cash flow from/ (used in) operating activities before extraordinary items</b>	<b>276,636,407</b>	<b>(789,882,065)</b>
Extraordinary items	-	(21,572,319)
<b>Net cash flow from/ (used in) operating activities after extraordinary (A)</b>	<b>276,636,407</b>	<b>(811,454,384)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(172,090,499)	(964,046)
Proceeds from sale of fixed assets	80,150	-
Proceeds of non-current investments	48,865,295	49,685,541
Interest received	18,182,562	14,514,396
Share of (profit)/loss from investment in partnership firm	(37,648,308)	27,475,774
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(142,610,800)</b>	<b>90,711,665</b>



## Cash Flow Statement for the year ended 31.03.2017

	31.03.2017	31.03.2016
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	825,013,096
Proceeds from long-term borrowings	230,747,181	157,274,285
Proceeds from short-term borrowings	956,826,480	321,587,016
Interest funded as Term Loan	(493,918,609)	(583,487,375)
Interest Paid	(779,507,181)	(713,103,309)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(85,852,129)</b>	<b>7,283,713</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>48,173,478</b>	<b>(713,459,006)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	199,105,707	912,564,713
<b>Cash and cash equivalents at the end of the year</b>	<b>247,279,185</b>	<b>199,105,707</b>

Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

Place : Chennai  
Date : 30.05.2017

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

**R.Siddharth**  
CFO & Company Secretary

## Auditor's Certificate to the members of the Consolidated Construction Consortium Limited

We have examined the Cash Flow Statement of Consolidated Construction Consortium Limited for the year ended 31.03.2017. The statement has been prepared by the Company in accordance with the guidelines contained in AS 3 (Cash Flow Statement) issued by the Institute of Chartered Accountants of India.

for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

Place : Chennai  
Date : 30.05.2017



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Consolidated Construction Consortium Limited

### 1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Consolidated Construction Consortium Limited (herein after referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and Joint Ventures comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

### 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and the Joint Ventures entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statement by the Directors of the Holding Company, as aforesaid.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its Joint Ventures as at March 31, 2017, and their Consolidated Loss and their Consolidated Cash Flows for the year ended on that date.

### 5. Emphasis of Matter

- i. We draw attention to Note 3 to the standalone financial results, regarding erosion in the Net-worth of the Company and preparation of the consolidated financial statements of the group as a Going Concern based on the assessment of its ability to continue as a Going Concern by the Management.
- ii. We draw your attention to Note 5 to the consolidated financial results, regarding uncertainties relating to recoverability of trade receivables amounting to Rs28,274 lakhs and provisions thereon for Rs 10,242 lakhs by the management based on the assessment of recoverability; Further the recoverability of the dues from customers under arbitration amounting to Rs 36,642 lakhs depends on the outcome of the matters and work done unbilled amounting to Rs 15,500 lakhs included under the Work-in-progress where the claims are currently under negotiation/discussion the impact of which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements.

Our opinion is not qualified /modified in respect of these matters.

### 6. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- c) The Consolidate Balance Sheet, the Consolidate Statement of Profit and Loss, and the Consolidate Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the Consolidated Financial Statement.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statement disclose the impact of pending litigations on the Consolidated Financial position of the Group - refer Note 5.4 to the Consolidated Financial Statements;
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India.
  - iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th Nov 2016 to 30th December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether disclosures are in accordance with the books of account maintained by the company and as produced to us by the management. (Refer note 5.9)

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

**S Sundar Rajan**  
Partner  
Membership No:211414

Place : Chennai  
Date : May 30, 2017



## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 6(f) of the Independent Auditors' Report of even date to the members of Consolidated Construction Consortium Limited on the Consolidated financial statements for the year ended March 31, 2017 with regard to report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Consolidated Construction Consortium Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled entities incorporated in India as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the

auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ASA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No: 009571N/N500006

Place : Chennai  
Date : May 30, 2017

**S Sundar Rajan**  
Partner  
Membership No:211414



## Consolidated Balance Sheet as at 31.03.2017

	Notes	31.03.2017	31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Share Holders' Funds</b>			
Share Capital	3.1	797,022,376	797,022,376
Reserves and Surplus	3.2	(1,800,998,546)	(197,229,481)
<b>Non-current Liabilities</b>			
Long-term borrowings	3.3	5,592,493,992	5,939,753,253
<b>Current Liabilities</b>			
Short-term borrowings	3.4	7,827,440,613	6,335,111,416
Trade payables	3.5	2,568,554,010	3,098,795,289
Other current liabilities	3.6	412,570,729	611,479,030
<b>TOTAL</b>		<b>15,397,083,174</b>	<b>16,584,931,883</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets			
Property, Plant & Equipment	3.7	1,682,902,788	1,691,183,310
Capital work-in-progress		225,811,713	225,811,713
Non Current Investments	3.8	8,336,633	9,551,095
Deferred tax assets (Net)	3.9	798,177,197	798,318,724
Long-term loans and advances	3.10	21,538,284	-
<b>Current Assets</b>			
Trade Receivable	3.11	4,940,104,522	5,557,141,418
Inventory	3.12	1,660,919,464	2,375,698,202
Cash and cash Equivalents	3.13	252,778,537	211,052,319
Short Term Loans and Advances	3.14	2,093,919,501	2,009,651,244
Other current assets	3.15	3,712,594,535	3,706,523,858
<b>TOTAL</b>		<b>15,397,083,174</b>	<b>16,584,931,883</b>

The accompanying notes are integral part of the Financial Statements 1-5

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Consolidated Statement of Profit and Loss for the year ended 31.03.2017

	Notes	31.03.2017	31.03.2016
<b>INCOME</b>			
Revenue from operations	4.1	5,974,778,050	4,030,448,512
Other Income	4.2	139,486,496	136,553,510
<b>Total Revenue</b>		<b>6,114,264,546</b>	<b>4,167,002,022</b>
<b>EXPENSES</b>			
Cost of Materials consumed	4.3	3,247,871,169	1,854,215,860
Subcontracts and Special Agencies	4.4	1,476,007,632	1,467,346,133
Other operating expenses	4.5	466,561,032	334,096,629
Employee Cost	4.6	440,848,198	581,853,076
Sales and Administration and Other Expenses	4.7	515,956,966	201,605,306
Finance Cost	4.8	1,401,947,073	1,413,510,251
Depreciation	3.7	169,228,665	174,400,590
<b>Total Expenses</b>		<b>7,718,420,735</b>	<b>6,027,027,845</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(1,604,156,189)</b>	<b>(1,860,025,823)</b>
Exceptional items (refer note)		-	-
Profit before extraordinary items and tax		(1,604,156,189)	(1,860,025,823)
Extraordinary items		-	16,726,489
Profit before tax (including share of profit attributable to the parties under the consortium agreement) (VII - VIII)		(1,604,156,189)	(1,876,752,312)
Share of profit payable to the party under the consortium agreement		-	-
Profit before tax		(1,604,156,189)	(1,876,752,312)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		112,876	(7,195)
<b>Profit / (loss) for the period from continuing operations</b>		<b>(1,604,269,065)</b>	<b>(1,876,745,117)</b>
Profit / (loss) from discontinuing operations			
Tax expense of discontinuing operations			
<b>Profit / (loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the year</b>		<b>(1,604,269,065)</b>	<b>(1,876,745,117)</b>
Earnings per Equity Share:			
Basic / Diluted	4.9	(4.03)	(5.44)

The accompanying notes are integral part of the Financial Statements 1-5

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Consolidated Notes forming part of accounts - 31.03.2017

### NOTE 1 - GENERAL OVERVIEW AND PRINCIPLES OF CONSOLIDATION:

- 1.1 The consolidated financial statements comprise the CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED ("the Company") and its subsidiaries and jointly controlled entities as at March 31, 2017 and for the year ended on that date.
- 1.2 The Subsidiaries and Jointly Controlled Entities companies considered in the consolidated financial statements are:

Name of the Subsidiaries / Jointly Controlled Entities	Country of Incorporation	Proportion of Ownership Interest	
		Current Year	Previous Year
<b>Subsidiaries:</b>			
Consolidated Interiors Limited	India	100%	100%
Noble Consolidated Glazings Limited	India	100%	100%
CCCL Infrastructure Limited	India	100%	100%
CCCL Power Infrastructure Limited	India	100%	100%
Delhi South Extension Car Park Limited	India	100%	100%
<b>Step-down Subsidiary</b>			
CCCL Pearl City Food Port SEZ Limited (Wholly Owned Subsidiary of CCCL Infrastructure Limited)	India	100%	100%
<b>Joint Ventures</b>			
<b>Partnership Firms:*</b>			
Yuga Builders	India	40%	50%
Yuga Developers#	India	25%	25%

\* Unincorporated, Resident in India. # Exited from the partnership during the year and hence not considered for consolidation

- 1.3 The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Company together with consortium arrangements and its subsidiaries are combined on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
  - The financial statements of the jointly controlled entities have been consolidated on a line-by-line basis by consolidating the book values of similar items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions, resulting in unrealized profits or losses, (using the 'proportionate consolidation' method) as per Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India.
  - The financial statements of the subsidiaries and the jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2017.
  - The consolidated financial statements are prepared to the extent possible using uniform accounting policies for transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES :

#### 2.1 General

The financial statements are prepared under the Historical Cost convention, on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable / acknowledged by customers, are not taken into account.

The preparation of Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the period, balances of Assets and Liabilities and disclosures relating contingent liabilities as of the date of the financial statements. Examples of such estimates include useful life of tangible and intangible fixed assets, contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under the employee retirement benefit plans, etc. Actual results could differ from those estimates and differences, if any, are recognized in the period in which results are known

#### 2.2 Revenue Recognition

##### a. Contract Revenue:

- Revenue recognition and Valuation of Contract WIP are as per the Accounting Standard – 7 (AS 7).



## Consolidated Notes forming part of accounts - 31.03.2017

- ii. Revenue is recognized on the basis of agreed price between the client and the Company for various items of work done.
- iii. Stage / Percentage of completion is determined with reference to the Certificates given by the clients / management as well as on the billing schedule agreed with them, for the value of work done during the year.

### iv Valuation of Contract WIP:

At Realizable Sale Value on Percentage Completion method in respect of contracts where the outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, no profit is being recognized. Expected losses on contracts are assessed periodically and recognized immediately.

Cost incurred is recognized in the accounts for the items of work done in the year of recognition of revenues.

Expenditure incurred on items used at construction sites, viz. construction aids, scaffolding materials, temporary structures, are charged off to the revenue at the end of each financial year on the basis of both periodical physical count and periodical ascertainment of balance useful life.

- b. Profit or Loss on Contracts executed by Joint ventures under profit sharing arrangements (being jointly controlled entities, in terms of Accounting Standards 27, "Financial reporting of Interests in Joint ventures"), is accounted as and when the same is determined by the Joint Venture. Revenue from services rendered to such Joint ventures is accounted on accrual basis. In determining this policy due weight age is given to the principle of Substance over Form

### c. Sales / Service:

- i. Sale of RMC / Solid Blocks/Interior Items exclude the excise duty (wherever applicable) /respective States' VAT and are stated net of discounts.
- ii. Service Income from designing charges excludes applicable Service Tax and are stated net of discounts.
- iii. Income on Lease of Land and buildings together with the facilities provided for the year are accounted for in accordance with the terms and conditions set out in the respective agreements entered with the lessees concerned and on accrual basis.
- iv. Solar power generation form the MV system situated in Tuticorin district, pursuant to the power agreement (PPA) entered into with NVVN limited , had been reckoned on the basis of unit measurements made at monthly rests
- v. Expense which are not directly attributable to BOOT projects and expense incurred on projects in which the company has not emerged as a successful bidder are charged off to the Profit and Loss account in the year in which they are incurred.
- vi. Dividends on Investments are accounted on the basis of declaration of dividends on the underlying investments
- vii. Interest income is recognized using the time proportion method taking into account the amounts invested and the applicable rate of interest.
- viii. Income which are not connected to the main operations of the company are grouped under "Other Income".

## 2.3 Employee Benefits:

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

The components of various employees' benefits have been furnished and discussed in detailed in the respective entities which are forming part of this consolidation.

## 2.4 Fixed Assets and Depreciation:

### a. Property, Plant & Equipments:

Property, Plant & Equipments are stated at cost net of tax duty credits availed, accumulated depreciation and impairment losses where applicable. Cost comprises purchase price and all direct / indirect costs incurred to bring the asset to its working condition for its intended use.

### b. Depreciation:

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) method. Depreciation is provided based on useful life of the assets prescribed in Schedule II of the Companies Act, 2013.

### c. Impairment of Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use, estimated periodically, is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

## 2.5 Leases:

- a. Assets acquired under leases where substantially all the risks and rewards of ownership are retained by the company are classified as finance leases.



## Consolidated Notes forming part of accounts - 31.03.2017

- b. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

### 2.6 Investments:

- a. Investments are classified as Current and Non Current. Non Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value, determined on the basis of specific identification.
- b. The Company has securities (trade & non-trade), immovable properties.
- c. Investments have been accounted as per Accounting Standard 13 on "Accounting for Investments."

### 2.7 Inventories:

Inventory of raw materials is valued at cost determined on FIFO method. Inventory of manufactured goods is valued at lower of cost and net realizable value. Cost of manufactured goods includes related overheads.

### 2.8 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs

### 2.9 Miscellaneous Expenditure:

Expenditure, the benefits of which are estimated to accrue over more than one accounting period are amortized over such periods.

### 2.10 Foreign Currency Transactions:

The Company has adopted Accounting Standard (AS) -11(Revised 2003) in respect of Foreign Currency transactions. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate on the date of such transaction. All exchange differences arising on settlement/conversion of foreign currency transactions are charged off / credited to the Statement of profit and loss. In respect of acquisition of fixed assets exchange differences are adjusted in the cost of the corresponding asset.

### 2.11 Taxation:

#### a. Current Tax:

Provision for tax is determined in accordance with the current tax laws.

#### b. Deferred Tax:

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 2.12 Extraordinary and exceptional items:

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events / transactions is made in the financial statements. Similarly any external events beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the company, is such that its disclosure improves a understanding of the performance of the company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes of accounts.

### 2.13 Accounting for Interests in Joint ventures:

Interest in integrated Joint venture is accounted as follows:

- i) Company's share in profits or losses is accounted on determination of the Profit or loss by the Joint venture.
- ii) Investment is carried at cost net of Company's share in recognized profit or loss.

### 2.14 Earnings Per Share (EPS):

In arriving at the Basic EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period.



## Consolidated Notes forming part of accounts - 31.03.2017

The previous year figures have been regressed / reclassified where ever necessary to confirm to the current year presentation

	31.03.2017	31.03.2016
<b>NOTE - 3.1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital :</b>		
58,50,00,000 Equity Shares of Rs. 2 each (PY 58,50,00,000 Equity Shares of Rs. 2 each)	1,170,000,000	1,170,000,000
<b>Issued Capital</b>		
39,85,11,188 Equity Shares of Rs. 2 each (PY 39,85,11,188 Equity Shares of Rs. 2 each)	797,022,376	797,022,376
<b>Subscribed and Paid-up Capital</b>		
39,85,11,188 Equity Shares of Rs. 2 each (PY 39,85,11,188 Equity Shares of Rs. 2 each)	797,022,376	797,022,376
<b>Total</b>	<b>797,022,376</b>	<b>797,022,376</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2017		31.03.2016	
	Nos.	Amount	Nos.	Amount
<b>Equity Shares:</b>				
At the beginning of the year	398,511,188	797,022,376	398,511,188	797,022,376
Issued during the year	-	-	-	-
Outstanding at the end of the period	<b>398,511,188</b>	<b>797,022,376</b>	<b>398,511,188</b>	<b>797,022,376</b>

### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31.03.2017		31.03.2016	
	%	No of Shares	%	No of Shares
State Bank of India	26.53	105,706,828	26.53	105,706,828
Bank of Baroda	11.61	46,276,787	11.61	46,276,787
Mr R.Sarabeswar	10.83	43,175,081	10.83	43,175,081
ICICI Bank Ltd	10.66	42,487,350	10.66	42,487,350
Mr S.Sivaramkrishnan	8.58	34,175,997	8.58	34,175,997

### d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of four years immediately preceding the reporting date:

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
i. Equity shares allotted as fully paid up bonus shares by capitalization of surplus (Nos.)	-	-	-	-	-
ii. Shares issued for consideration other than cash (Nos.)	-	-	-	-	-
iii. Shares bought back (Nos.)	-	-	-	-	-



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>General Reserve :</b>		
Balance as at the beginning of the year	996,769,053	996,769,053
Loss during the year	-	-
Balance as at the end of the year	<u>996,769,053</u>	<u>996,769,053</u>
A		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(4,153,500,546)	(2,512,229,178)
Provision adjustment	500,000	235,473,749
Loss for the Year	<u>(1,604,269,065)</u>	<u>(1,876,745,117)</u>
	<u>(5,757,269,611)</u>	<u>(4,153,500,546)</u>
<b>Less: Appropriations</b>		
Balance as at the end of the year	<u>(5,757,269,611)</u>	<u>(4,153,500,546)</u>
B		
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	2,959,502,012	2,561,956,842
Add : Additions during the year	-	397,545,170
Balance as at the end of the year	<u>2,959,502,012</u>	<u>2,959,502,012</u>
C		
<b>Reserves and Surplus - TOTAL</b>	<b>A+B+C</b>	<b>(1,800,998,546)</b>
		<b>(197,229,481)</b>

Securities Premium Account represents the difference between the consideration received in respect of shares issued and the face value



## Consolidated Notes forming part of accounts - 31.03.2017

		31.03.2017	31.03.2016
<b>NOTE - 3.3</b>			
<b>Long Term Borrowings:</b>			
<b>Secured</b>			
12.36 % Non Convertible Debentures (NCD) and Funded Interest Term Loan		200,000,000	238,802,784
Term Loan from Banks		5,097,929,373	5,403,425,469
<b>Total</b>	<b>A</b>	<b>5,297,929,373</b>	<b>5,642,228,253</b>
<b>Un Secured</b>			
Unsecured Loan from Promoters		294,564,619	297,525,000
<b>Total</b>	<b>B</b>	<b>294,564,619</b>	<b>297,525,000</b>
<b>Long Term Borrowings - Total</b>	<b>A+B</b>	<b>5,592,493,992</b>	<b>5,939,753,253</b>

# Pursuant to CDR scheme Refer Note 5.1

### Nature of Security :

- a. (i) The Existing Construction Equipment Loan and Machinery Term Loan and the Funded Interest Term Loan on that have exclusive charge on the assets acquired out of the Loans.
- (ii) The Existing Corporate Loan, Working Capital Term Loans (WCTL I, II and III) and Funded Interest Term Loans (FTL I, II, III and IV) facilities are secured by a pari passu first charge on the fixed assets of the Company and specific fixed assets of the wholly owned subsidiary CCCL Infrastructure Limited and Stepdown subsidiary CCCL Pearl City Food Port SEZ Limited.
- (iii) The Term Loans and NCD facilities are secured by a pari passu second charge on the current assets of the Company.
- (iv) All the loans including NCD are secured by the personal guarantees of the Promoters, viz., Mr.R.Sarabeswar and Mr.S.Sivaramakrishnan.
- (v) The promoters, viz., Mr.R.Sarabeswar and Mr.S.Sivaramakrishnan have pledged their entire equity shareholding aggregating to 7,73,51,078 Equity Shares of Face Value Rs.2/- being 19.41% of the paid up capital of the Company in favour of the lenders, as prescribed by the CDR Scheme.
- b. Due to inadequate profits during the year, no Debenture Redemption Reserve was created in the books for the financial year read with Section 71(4) of the Companies Act 2013.
- c. The Interest-free Long Term Unsecured Loan from Promoters represents the Promoters' contribution brought in to fulfill the conditions of the CDR Restructuring Package.



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.4</b>		
<b>Short-term borrowings</b>		
<b>Secured:</b>		
Working Capital Loans	7,827,440,613	6,335,111,416
<b>Total</b>	<b>7,827,440,613</b>	<b>6,335,111,416</b>

- (i) The Working Capital Facilities are secured by a pari passu first charge on the current assets and entire fixed assets of the Company and also specific fixed assets of the wholly owned subsidiary CCCL Infrastructure Limited and Stepdown subsidiary CCCL Pearl City Food Port SEZ Limited.
- (ii) All the loans are secured by the personal guarantees of the Promoters, viz., Mr.R.Sarabeswar and Mr.S.Sivaramakrishnan.
- (iii) The promoters, viz., Mr.R.Sarabeswar and Mr.S.Sivaramakrishnan have pledged their entire equity shareholding aggregating to 7,73,51,078 Equity Shares of Face Value Rs.2/- being 19.41% of the paid up capital of the Company in favour of the lenders, as prescribed by the CDR Guidelines.

	31.03.2017	31.03.2016
<b>NOTE - 3.5</b>		
<b>Trade Payable</b>		
For Goods/services	2,113,125,177	2,341,387,596
Advance from customers	455,428,833	757,407,693
<b>Total</b>	<b>2,568,554,010</b>	<b>3,098,795,289</b>

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act and could not be furnished.

	31.03.2017	31.03.2016
<b>NOTE - 3.6</b>		
<b>Other Current Liabilities</b>		
Current maturities of long-term debt #	-	267,160,000
Employee Benefits payable	260,171,804	270,484,090
Statutory Deductions Payable including PF and Tax Deducted at Source	51,982,188	36,376,467
Security Deposit Received	1,176,968	2,199,429
Unclaimed Dividends	99,108	99,108
Other Liabilities for expenses	99,140,661	35,159,936
<b>Total</b>	<b>412,570,729</b>	<b>611,479,030</b>

#Represents instalments of restructured Term Loans payable within one year Rs.NIL (PYRs.267 millions), which is classified as current and disclosed under other current liabilities.

## Consolidated Notes forming part of accounts - 31.03.2017

NOTE - 3.7 – Fixed Assets

Tangible Assets

Particulars	Land - Freehold	Buildings	Building - Temporary Structures	Plant & Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Cost or Valuation</b>								
As on 01.04.2016	440,146,320	487,503,948	3,505,522	2,064,033,590	30,179,885	94,375,045	4,390,304	3,124,134,614
Additions	-	160,718,659	-	193,544	112,221	536,105	-	161,560,529
Deletions / Adjustments	-	-	-	108,000	3,061,616	4,223,464	-	7,393,080
As on 31.03.2017	440,146,320	648,222,607	3,505,522	2,064,119,134	27,230,490	90,687,686	4,390,304	3,278,302,063
<b>Depreciation</b>								
Upto 01.04.2016	-	76,300,328	3,002,149	1,233,493,887	24,775,129	91,224,563	4,155,249	1,432,951,305
For the Period	-	28,269,519	-	139,125,543	1,611,946	215,766	5,891	169,228,665
Deletions / Adjustments	-	-	-	102,600	2,632,303	4,051,842	-	6,786,745
Upto 31.03.2017	-	104,569,847	3,002,149	1,372,516,830	23,754,772	87,388,487	4,161,140	1,595,393,225
<b>Net</b>								
As on 31.03.2017	440,146,320	543,652,760	503,373	691,602,304	3,475,718	3,299,199	229,164	1,682,908,838
As on 31.03.2016	440,146,320	411,203,620	503,373	830,539,703	5,404,756	3,150,482	235,055	1,691,183,309
<b>Capital Work in progress</b>								
As on 31.03.2017								225,811,713
As on 31.03.2016								225,811,713



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.8</b>		
<b>Non Current Investments ( Long Term Investments)</b>		
(Valued at cost less other than temporary diminution in the value if any)		
<b>Non-Trade (Quoted) :</b>		
192 (P.Y. 96) Equity Shares of Infosys Technologies Ltd (` 5/- per share fully paidup)	83,653	83,653
300 (P.Y. 300) Equity Shares of Q Flex Cables India Ltd (` 10/- per share fully paidup)	8,730	8,730
	<u>92,383</u>	<u>92,383</u>
Less: Diminution (other than temporary) in value of shares	<u>8,730</u>	<u>8,730</u>
	<b>83,653</b>	<b>83,653</b>
<b>Other Investments</b>		
Immovable Properties	8,244,980	8,244,980
<b>INVESTMENTS - Mutual Funds</b>		
In - Mutual Funds	8,000	1,222,462
	<u><b>8,336,633</b></u>	<u><b>9,551,095</b></u>
<b>NOTE - 3.9</b>		
<b>Deferred Tax Asset (Net)</b>		
Opening Balance	798,318,724	798,311,529
Deferred Tax Liabilities	(28,651)	(16,127,715)
Deferred Tax Assets	(112,876)	16,134,910
<b>Deferred Tax Assets ( Net )</b>	<u><b>798,177,197</b></u>	<u><b>798,318,724</b></u>



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.10</b>		
<b>Long-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Loans and advances to wholly owned subsidiaries	21,538,284	-
Transferred to Reserve	-	-
<b>Total</b>	<b>21,538,284</b>	<b>-</b>
<b>NOTE - 3.11</b>		
<b>Trade Receivables (Unsecured, Considered Good)</b>		
<b>A. Contract Work in Progress for Ongoing Jobs</b> (Value as estimated and certified by the Management)		
Total Contract Work in Progress for Ongoing Jobs	15,841,627,331	18,223,703,456
Less: Progress Payments received	12,413,346,508	14,848,374,552
	<b>3,428,280,823</b>	<b>3,375,328,904</b>
<b>B. Trade Receivables for the Completed Jobs and Sale of Building Products</b>		
	<b>1,511,823,699</b>	<b>2,181,812,514</b>
<b>Total</b>	<b>4,940,104,522</b>	<b>5,557,141,418</b>
<b>Trade receivables include:</b>		
<b>Unsecured:</b>		
Debt outstanding for more than 6 months		
Considered Good	1,433,240,801	851,375,186
Considered Doubtful	1,024,253,108	732,034,345
	<b>A</b>	<b>1,583,409,531</b>
Other Debts		
Considered Good	369,951,823	1,332,437,329
Considered Doubtful	-	-
	<b>B</b>	<b>1,332,437,329</b>
<b>Total</b>	<b>(A+B)</b>	<b>2,915,846,860</b>
Less: Allowance for Bad and Doubtful Debts	1,024,253,108	734,034,345
<b>Total</b>	<b>(A+B-C)</b>	<b>2,181,812,515</b>
<b>Trade receivables include:</b>		
Other Debts	1,803,192,624	2,181,812,515
<b>Total</b>	<b>1,803,192,624</b>	<b>2,181,812,515</b>
<b>NOTE - 3.12</b>		
<b>Inventory</b>		
Construction / Construction Aided Materials	1,660,919,464	2,375,698,202
<b>Total</b>	<b>1,660,919,464</b>	<b>2,375,698,202</b>



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 3.13</b>		
<b>Cash and cash Equivalents</b>		
Cash on Hand	778,902	1,330,559
Cheques on Hand	-	30,000
Balances in Current Account with Scheduled Banks	38,562,828	28,310,152
Deposit Account with Scheduled Banks	213,337,699	181,282,500
Earmarked balances with banks - unclaimed dividend	99,108	99,108
<b>Total</b>	<b><u>252,778,537</u></b>	<b><u>211,052,319</u></b>
<b>NOTE - 3.14</b>		
<b>Short Term Loans and Advances</b>		
Trade Advances	270,060,554	343,504,950
Tax Refund Due	1,048,955,906	939,255,880
Recoverable Service tax and Sales Tax paid	466,879,883	386,055,287
Prepaid Expenses	2,232,656	2,852,204
Security deposit	181,103,554	169,839,198
Loans to employees	392,894	423,470
Other Advances	104,951,948	147,551,580
Capital Advances	19,342,106	20,168,675
<b>Total</b>	<b><u>2,093,919,501</u></b>	<b><u>2,009,651,244</u></b>
<b>NOTE - 3.15</b>		
<b>Other Current Assets</b>		
Interest accrued but not due on deposits	4,680,958	1,105,198
Due from Customers ( Construction and Project related activity) #	3,707,913,577	3,705,418,660
<b>Total</b>	<b><u>3,712,594,535</u></b>	<b><u>3,706,523,858</u></b>
# Refer note 5.7		



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.1</b>		
<b>Revenue from operations</b>		
<b>Income from Contract Activities</b>		
Revenue from Construction and Project related activity	5,902,576,488	4,038,715,807
Income from Design /Power Generation/ Lease Rent	214,685,245	121,478,810
Sale of Diesel / Lease Rent	4,092,666	4,043,388
Gross Revenue from Operations	6,121,354,400	4,164,238,005
Less: Service Tax / Excise Duty / VAT Include in the above ##	146,576,350	133,789,493
Revenue from operation (Net)	5,974,778,050	4,030,448,512
## The levies towards Service tax & VAT, wherever included in the order, has been reckoned here.		
<b>NOTE - 4.2</b>		
<b>Other Income</b>		
<b>Interest on :</b>		
Bank deposits	18,281,111	14,712,719
Others	2,010	88,165,922
Long-term investments	220,014	420,569
Net Liability Written back / Off	348,933	11,686,972
Net gain / (Loss) on sale of Fixed assets	74,750	23,735
Net gain / (Loss) on sale of non current / current investments	82,201,388	(1,109,767)
Share of Profit from Firm	-	(27,475,774)
Hire Charges - Machinery	21,432,603	30,786,826
Other Receipts	16,925,687	19,342,308
<b>Total</b>	<b>139,486,496</b>	<b>136,553,510</b>
<b>NOTE - 4.3</b>		
<b>Cost of Materials consumed</b>		
Inventory at the beginning of the year	2,107,437,009	2,491,112,148
Add: Purchases	2,788,593,854	1,545,032,403
	<b>4,896,030,863</b>	<b>4,036,144,551</b>
Less: inventory at the end of the year	1,648,159,694	2,181,928,691
Construction Material Consumed	3,247,871,169	1,854,215,860



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.4</b>		
<b>Subcontracts and Special Agencies</b>		
Subcontract and Special Agencies	1,476,007,632	1,467,346,133
<b>Total</b>	<b>1,476,007,632</b>	<b>1,467,346,133</b>
<b>NOTE - 4.5</b>		
<b>Other operating expenses</b>		
Consumables, Stores, Spares & Tools	172,712,392	154,113,290
Packing & Forwarding	97,121,548	43,795,049
Power and Fuel	105,336,199	75,673,346
Temporary Structures	23,450	79,245
Hire Charges	77,519,243	48,100,846
Repairs to Plant & Machinery	9,832,000	6,718,065
Testing Charges	4,016,200	5,616,788
<b>Total</b>	<b>466,561,032</b>	<b>334,096,629</b>
<b>NOTE - 4.6</b>		
<b>Employee Cost</b>		
Salaries and Allowances	399,762,393	506,315,573
Contributions to:		
Provident Fund	16,840,878	18,663,514
Family Pension / Superannuation / Gratuity	5,681,452	36,480,560
Welfare and Other Expenses	18,563,475	20,393,429
<b>Total</b>	<b>440,848,198</b>	<b>581,853,076</b>



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.7</b>		
<b>Sales and Administration and other Expenses</b>		
Rent	28,697,632	38,033,517
Rates and Taxes	10,406,459	5,177,080
Travelling & Conveyance	27,682,628	23,581,787
Sales Promotion	2,875,020	8,819,794
Insurance	14,518,109	15,605,631
Communication Expenses	5,815,941	6,365,037
Printing & Stationery	5,711,973	4,966,897
Net written off entries	290,214	178,157
Repairs - Others	17,646,879	11,502,514
Directors Fees	376,000	1,028,975
Professional Fees:	1,166,037	1,014,426
- To Auditor	-	-
- As auditor:	-	-
- Audit Fee	3,096,048	3,371,243
- Tax Audit Fee	546,000	734,127
- Limited Review Fee	225,000	225,000
- Taxation matters	923,912	344,384
Other services	1,098,250	14,517
- Reimbursement of Expenses	758,888	525,368
- To Other Professional Fees	81,798,750	49,724,124
Books & Periodicals	32,870	47,254
Cash discounts	1,860,252	1,297,408
Sundries / Miscellaneous Expenses:	805,194	373,086
- Computer Maintenance	1,408,644	1,348,151
- Staff Recruitment / Training / Safety Expenses	5,151,724	7,552,499
- Pooja Expenses	1,630,455	1,555,543
- Subscription to Clubs/Trade Associations	404,291	17,864
- Testing Charges	-	101,124
- Security Charges	1,769,665	2,282,987
- Loss on sale of Fixed Assets	600,936	-
- Tender Document Cost	808,048	753,581
- Provision for Doubtful Debts	290,118,396	9,255,195
- Provision for Diminution in value of investment	499,940	
- Other Expenses	7,232,811	5,808,036
<b>Total</b>	<b>515,956,966</b>	<b>201,605,306</b>
<b>NOTE - 4.8</b>		
<b>Finance Cost</b>		
Interest on:		
Working Capital Loan	768,711,799	706,362,551
Term Loan	493,918,609	583,487,375
Bank Charges	44,073,577	46,931,301
Other Interest	95,243,088	76,729,024
<b>Total</b>	<b>1,401,947,073</b>	<b>1,413,510,251</b>



## Consolidated Notes forming part of accounts - 31.03.2017

	31.03.2017	31.03.2016
<b>NOTE - 4.9</b>		
<b>Earnings Per Share - EPS</b>		
Equity shares issued (Nos.)	398,511,188	398,511,188
Weighted Average (Nos.)	398,511,188	291,644,207
Profit After Tax (₹ In millions)	(1,604.27)	(1,876.75)
Less: Preference Dividend and tax thereof (₹ In Lacs)	-	-
Profit available for Equity Shareholders (₹ In millions)	(1,604.27)	(1,876.75)
Basic / Diluted EPS (₹)	(4.03)	(5.44)

### 5. OTHER NOTES

#### 5.1 Scheme of Sustainable Structuring of Stressed Assets

During the year under audit, the Company has made an application for restructuring of debts under the Scheme for Sustainable Structuring of Stressed Assets (S4A scheme). The Joint Lender's Forum (JLF) of the lenders adopted the S4A Scheme with the reference date as November 11, 2016 and approved by the Reserve Bank of India's mandated Overseeing Committee (OC) on May 2, 2017. Under the S4A scheme, out of the total outstanding debts of Rs.1,19,568 Lacs, debts amounting to Rs.61,039 Lacs have been classified into sustainable debt, to be serviced as per existing terms and conditions to those debts, and of the remainder debts Rs.57,955 Lacs will be converted into optionally convertible debentures (OCDs) collectively in favour of the lenders. The Company is in the process of implementing the S4A scheme.

#### 5.2. Related party transactions:

##### A. Related parties:

###### Particulars

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Relatives of Key Management Personnel

Key management personnel

###### Name of the Entity

**A. Companies:** Yuga Homes Ltd

**B. Partnership Firms:** Samruddhi Holdings

- Mrs.Usha – Spouse of wholetime director
- Mr. Kaushik Ram .S - Son of wholetime director
- Ms. Vidya Janarthanam - Daughter of Whole Time Director

**A. Whole Time Directors:**

- R. Sarabeswar, ii. S. Sivaramakrishnan, iii. V.G. Janarthanam

**B. Other Personnel**

- V.Krishnan, President, Consolidated Interiors Ltd\*\*
- E.Viswanathan, CCCL Infrastructure Ltd\*

\*Presently on Contractual Terms. \*\*Resigned during 2016-2017

##### b. Transactions during the year:

(₹ In Lacs)

Sl	Particulars	Key Management Personnel and relatives	Enterprises owned or significantly influenced by Key Management Personnel or their Relatives
1.	Investments	-	-
2.	Loans Granted	-	-
3.	Advances Granted	-	-
4.	Gross Works Contract Receipts	-	-
5.	Other Income	-	-
6.	Sub-Contract Jobs	-	-
7.	Remuneration	<b>108.34</b> (116.24)	-
8.	Rent Expense	-	-
9.	Corporate Guarantee	-	-

Previous year figures are given in brackets.



## Consolidated Notes forming part of accounts - 31.03.2017

- c. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year. (₹ In Lacs)

Sl.No.	Particulars	2016-2017	2015-2016
1.	<b>Remuneration</b>		
	Mr. R.Sarabeswar - Whole time Director	—	—
	Mr. S.Sivaramakrishnan - Whole time Director	—	—
	Mr. V.G.Janardhanam - Whole time Director	—	—
	Mr. V.Krishnan, President, Consolidated Interiors Ltd **	6.00	18.00
	Mr. E.Viswanathan, CCCL Infrastructure Ltd*	38.38	38.24
2.	Ms. Vidya Janarthanam – Daugther of Whole Time Director	—	—
	Mr. Kaushik Ram Son of Whole Time Director	60.00	60.00

\* Presently on Contractual Terms.

\*\*Resigned during 2016-2017

### 5.3. Earnings / Expenditure in Foreign Currency:

(₹ In Lacs)

Particulars	F.Y.2016-17	F.Y.2015-16
<b>A. Earnings in Foreign Exchange</b>	--	--
<b>B. Expenditure in Foreign Exchange:</b>		
- Import of Materials / Equipments(CIF Value)	707.23	285.20

### 5.4. Contingent Liabilities:

#### a. Bank Guarantees and Letter of Credit

(₹ In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Bank Guarantees	26,123.88	30,579.22
Letter of Credit	940.35	768.68
<b>Total</b>	<b>27,064.23</b>	<b>31347.90</b>

#### b. Following demands have been raised on the company by the respective authorities:

Nature of Statue	As at 31.03.2017	As at 31.03.2016
Service Tax #	10,103.58	11,405.26
Excise Duty	86.20	100.34
VAT / Sales Tax	2908.15	2,385.31
Income Tax	14.28	2,880.18
Customs Duty	2.93	2.93
<b>Total</b>	<b>13,115.14</b>	<b>16,774.02</b>

# The Honorable CESTAT has passed an order staying the collection of the demand in respect of the disputed tax liability for the period April 2006 – September 2008. As the issues involves for the subsequent periods are of a similar nature there has been no provision taken in the accounts.

Based on the expert opinions obtained, the Company had been advised not making any provision in the Accounts.

### 5.5 Current Assets

- a) Current Assets include Rs. 28,274 Lacs grouped under Note 3.11 of billed / claims based on explicit / implicit contractual / commercial terms for projects. These Receivables are periodically reviewed by the company and considering the commercial / contractual terms, the progress in negotiations / arbitration/ the continuing discussions with the clients an amount of Rs. 10,242 Lacs has been provided for and the management is confident that no further provision against these dues needs to be considered at this juncture.
- b) Other Current Assets of Rs. 36,642 Lacs are under arbitration. The Management is confident of favourable award and hence has not considered any provision.



## Consolidated Notes forming part of accounts - 31.03.2017

- c) Work in progress of Rs.34,282 Lacs include claims made to clients amounting to Rs.15,500 Lacs based on contractual / commercial terms for projects. These are periodically reviewed by the company and continuing discussions with the clients, the management is confident of realising the amount.
- 5.6 In the absence of profits during the year , the requirement of payment of Trade License fee to the partnership firm , Samruddhi Holdings , owing the trade name /.Logo (Triple C) will not arise for the year under reference.

### 5.7 Subsidiaries / Step Down Subsidiaries Status Update:

#### a. Delhi South Extension Car Park Limited

The Company could not commence its core business operations of one standalone DBFOT project for MCD and the Company had received a communication from MCD stating that the project has been deferred due to administrative reasons refunded concession fee of Rs. 70 Crores deposited. Further the company is pursuing with the MCD for appropriate claim consequent upon the withdrawal of the project. As such the company's operations are not considered as a going concern.

The company is confident of recovering the entire claim, without any loss on the investments made, however as a matter of abundant caution, the required provisions have been made.

#### b. CCCL Power Infrastructure Limited

The Company could not commence its core business operations of "Building power projects" in view of the current economic down turn in this line of business and as such decided to keep the company alive for the time being to capture the opportunities likely/expected to arise in this sector in near future. The ability of the company to continue as Going Concern is dependent upon the current economic outlook/ new government policies in this regard coupled with the support that may be extended by the Holding Company's business plans and its ability to augment funds however as a matter of abundant caution, the required provisions have been made.

#### c. Consolidated Interiors Limited

As of March 31, 2017, the Company has an accumulated loss of Rs.19,93,06,071/- . (PY Rs.18,38,25,911/-) Further the company, due to paucity of orders for total interior solutions and as well for the supply of finished furniture items from its factory, has reduced its total operations. This has been caused by the general economic downturn and the consequent slow down of the capex by all the user industries/segments however as a matter of abundant caution, the required provisions have been made in the previous year.

#### d. Noble Consolidated Glazings Ltd

As of March 31, 2017, the Company has an accumulated loss of Rs.57,26,05,717/- . (Py Rs. 42,50,98,858/-) Further the company, due to paucity of orders for total Glazing solutions, has reduced its total operations. This has been caused by the general economic downturn and the consequent slow down of the capex by all the user industries/segments however as a matter of abundant caution, the required provisions have been made.



## Consolidated Notes forming part of accounts - 31.03.2017

### 5.8 Subsidiaries Abstract

(` In Lacs)

Particulars	Consolidated Interiors Limited	Noble Consolidated Glazings Limited	CCCL Infrastructure Limited	CCCL Pearl City Food Port SEZ Ltd.	CCCL Power Infrastructure Limited	Delhi South Extension Car Park Limited
	(WOS)	(WOS)	(WOS)	(WOS of CCCL Infrastructure Limited)	(WOS)	(WOS)
A) Capital	677.85	165.00	2291.00	5.00	5.00	450.00
B) Reserves	(1993.06)	(5726.05)	(1508.45)	(1053.19)	(604.41)	(384.64)
C) Total Assets	727.56	982.97	9587.99	3298.66	1.14	215.60
D) Total Liabilities	727.56	982.97	9587.99	3298.66	1.14	215.60
E) Investments (other than Investment in Subsidiaries)	-	-	-	-	-	-
F) Turnover		227.26	928.54	49.58	1.92	-
G) Profit Before Tax	(154.80)	(1475.07)	(390.00)	(294.07)	1.02	(0.73)
H) Provision for Taxation	-	-	-	-	-	-
I) Profit After Tax	(154.80)	(1475.07)	(390.00)	(294.07)	1.02	(0.73)
J) Proposed Dividend	-	-	-	-	-	-

### 5.9 Disclosure to the requirement of Notification G.S.R 308 (E) dated 30.03.2017 relating to Specified Bank Notes:

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	14,14,000	17,86,460	32,00,460
(+) Permitted receipts	-	31,12,652	31,12,652
(-) Permitted payments	-	53,99,108	53,99,108
(-) Amount deposited in Banks / Exchange	14,14,000	-13,14,000	1,00,000
Closing cash in hand as on 30.12.2016	-	8,14,004	8,14,004

SBN disclosures relating to the following companies have been included in the above table-

- Consolidated Construction Consortium Limited
- CCCL Infrastructure Limited
- CCCL Pearl City Food Port SEZ Ltd
- Consolidated Interiors Limited
- Noble Consolidated Glazings Limited

5.10 Previous year's figures have been regrouped / consolidated wherever applicable / required and furnished accordingly, figures have been rounded off to the nearest rupee.

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary



## Consolidated Cash Flow Statement for the year ended 31.03.2017

	31.03.2017	31.03.2016
<b>Cash flow from operating activities</b>		
Profit / ( Loss) before tax from continuing operations	(1,604,156,189)	(1,860,025,823)
Profit / ( Loss) before tax from discontinuing operations	-	-
Profit / ( Loss) before tax	(1,604,156,189)	(1,860,025,823)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Share of (profit)/loss from investment in partnership firm	-	(27,475,774)
Depreciation/amortization on continuing operation	169,228,665	174,400,590
Capital Work in Progress	-	(15,372,604)
Loss/(profit) on sale of fixed assets	532,235	(955,345)
Provision for diminution in value of investments in subsidiary company	500,000	235,473,748
Interest expense	1,357,873,496	1,413,510,251
Interest income	(18,281,111)	(14,712,719)
<b>Operating profit before working capital changes</b>	<b>(94,302,904)</b>	<b>(95,157,676)</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(530,241,279)	(1,299,206,265)
Increase/(decrease) in other current liabilities	(198,908,301)	(1,440,217,578)
Decrease/(increase) in trade receivables / inventories	1,331,815,634	1,017,284,528
Decrease / (increase) in Deferred tax assets (net)	141,527	(7,195)
Decrease / (increase) in long-term loans and advances	(21,538,284)	
Decrease / (increase) in short-term loans and advances	(84,268,257)	512,571,852
Decrease/(increase) in other current assets	(6,070,677)	66,030,669
Cash generated from /(used in) operations	396,627,459	(1,238,701,664)
Direct taxes paid (net of refunds)	(112,876)	7,195
<b>Net cash flow from/ (used in) operating activities before extraordinary items</b>	<b>396,514,583</b>	<b>(1,238,694,469)</b>
Extraordinary items	-	(16,726,489)
<b>Net cash flow from/ (used in) operating activities after extraordinary items (A)</b>	<b>396,514,583</b>	<b>(1,255,420,958)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(161,560,529)	(8,562,705)
Proceeds from sale of fixed assets	80,149	193,000
Non-current investments	1,214,462	12,200,950
Proceeds from sale/maturity of current investments	-	1,109,767
Interest received	18,281,111	14,712,719
Share of (profit)/loss from investment in partnership firm	-	27,475,774
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(141,984,807)</b>	<b>47,129,505</b>



## Consolidated Cash Flow Statement for the year ended 31.03.2017

	31.03.2017	31.03.2016
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	(347,259,261)	948,805,831
Increase in share capital	-	825,013,096
Repayment of short-term borrowings	1,492,329,197	134,545,386
Interest Paid	(1,357,873,496)	(1,413,510,251)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(212,803,560)</b>	<b>494,854,062</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>41,726,217</b>	<b>(713,437,391)</b>
Cash and cash equivalents at the beginning of the year	211,052,320	924,489,712
<b>Cash and cash equivalents at the end of the year</b>	<b>252,778,537</b>	<b>211,052,320</b>

Previous year figures have been regrouped / reclassified wherever necessary.

For and on behalf of Board of Directors of  
**Consolidated Construction Consortium Limited**  
L45201TN1997PLC038610

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

**R.Sarabeswar**  
Chairman & CEO  
DIN: 00435318

**S.Sivaramakrishnan**  
Managing Director  
DIN: 00431791

Place : Chennai  
Date : 30.05.2017

**R.Siddharth**  
CFO & Company Secretary

## Auditor's Certificate to the members of the Consolidated Construction Consortium Limited

We have examined the Consolidated Cash Flow Statement of Consolidated Construction Consortium Limited for the year ended 31.03.2017. The statement has been prepared by the Company in accordance with the guidelines contained in AS 3 ( Cash Flow Statement ) issued by the Institute of Chartered Accountants of India.

As per our report of even date  
for **ASA & Associates LLP**  
Chartered Accountants  
Firm Regn. No. : 009571N/N500006

**S.Sundar Rajan**  
Partner  
Membership No. 211414

Place : Chennai  
Date : 30.05.2017



**CONSOLIDATED CONSTRUCTION CONSORTIUM LIMITED**

#5, II LINK STREET, C.I.T.CONONY, MYLAPORE CHENNAI 600 004  
EMAIL: @secl@ccclindia.com: Website:www.ccclindia.com  
CIN:L45201TN1997PLC038610

**Proxy Form**

(To be filled in and signed by the shareholder)

**Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**20th Annual General Meeting to be held on Tuesday, the 26th September, 2017 at 02.45 p.m. at Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai (OMR),Navalur, Chennai-603103**

Name of the member (s):  
Registered address :  
E-mail Id :  
Folio No/ Client Id :  
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- 1. Name:.....  
Address: .....  
Email ..... Signature:....., or failing him
- 2. Name:.....  
Address: .....  
Email ..... Signature:....., or failing him
- 3. Name:.....  
Address: .....  
Email ..... Signature:....., or failing him

as my/our proxy, to attend on my/our behalf at the **20th Annual General Meeting** of the Company to be held on **September 26, 2017 at Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai (OMR), Navalur, Chennai - 603 103** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution Nos.**

**ORDINARY BUSINESS:**

- 1. Adoption of financial statements
- 2. Reappointment of retiring Director Mr. S. Sivaramakrishnan
- 3. To appoint M/s. Sundar Sridhar, Chartered Accountants, Chennai as statutory Auditor of the Company

**SPECIAL BUSINESS:**

- 4. Ratification of Remuneration Payable to Cost Auditor for the financial year 2017-18

Signed this..... day of..... 2017.

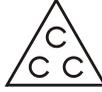
Folio No/ \*Client Id:\*DP Id: (Member):  
Registered address:  
E-mail Id:  
Member Phone No. :  
Signed (Member):  
Signed (Proxy holder):

Please affix  
Re.1/- Reveune  
Stamp

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated

\* Applicable for investors holding shares in electronic form.



**Consolidated Construction Consortium Limited**

Registered Office: No.5,II Link Street, C.I.T.Colony, Mylapore, Chennai – 600 004.  
CIN: L45201TN1997PLC038610

**ATTENDANCE SLIP**

I hereby record my presence at the **20th Annual General Meeting** of the Company to be held on **September 26, 2017 at 02.45 P.M. at the Hotel Gokulam Park Sabari, No.33, Rajiv Gandhi Salai (OMR), Navalur, Chennai - 603 103.**

Folio No/ \*Client Id:\*DP Id: (Member) :

E-mail Id :

Name of the Member :

No. of Shares Held :

Signed (Member):

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting

\* Applicable for investors holding shares in electronic form.



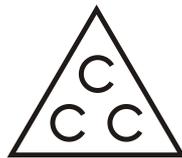
“Gamesa G122 Blade Plant” for Gamesa Renewable Private Limited, in SPSR Nellore



“Medical College Complex” for Ministry of Health & Family Welfare (AIIMS), Bhubaneswar

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---

**Subsidiary Companies**



CONSOLIDATED INTERIORS LIMITED



NOBLE CONSOLIDATED GLAZINGS LTD



CCCL INFRASTRUCTURE LTD.



CCCL POWER  
INFRASTRUCTURE  
LIMITED



**DELHI**  
SOUTH EXTENSION  
CAR PARK LIMITED