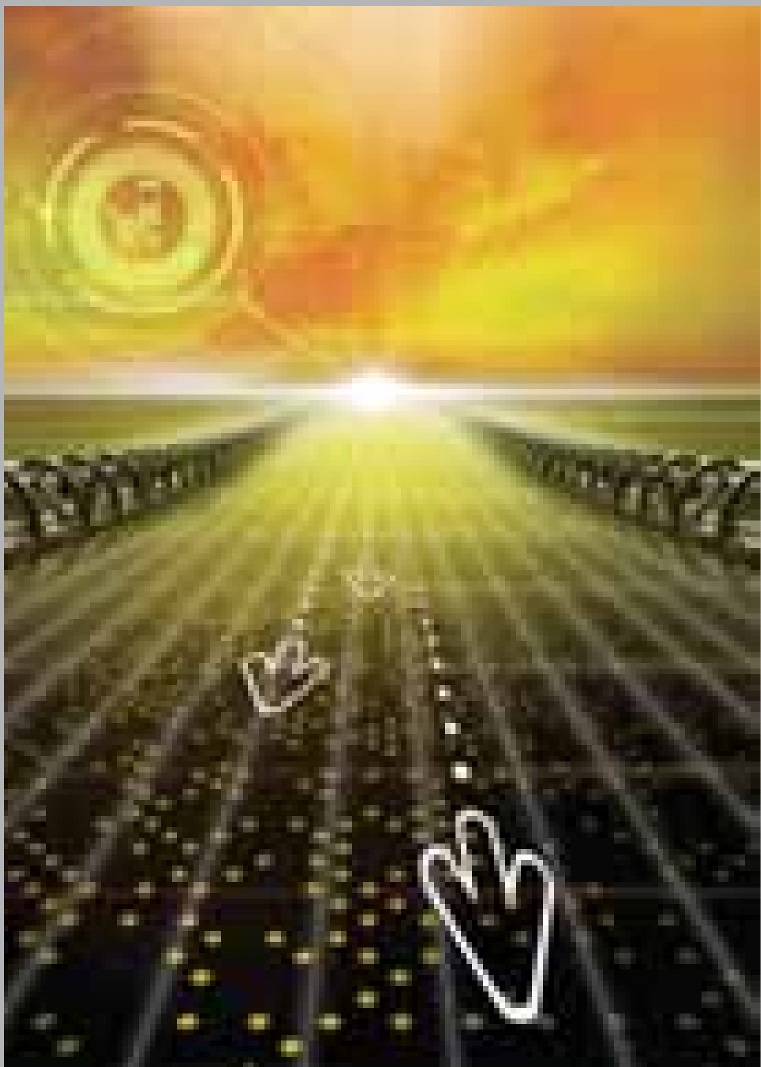
believing in our

FUTURE



ANNUAL REPORT 2010-2011

C & C CONSTRUCTIONS LTD.
Partners in Nation Building

Date of Annual General Meeting: 15th December 2011
Venue: Air Force Auditorium, Subroto Park, New Delhi 110010
Time: 10.00 am

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

OPTIMISTIC!

The Eleventh Plan's infrastructural outlay of USD 530 bn was a 128% increase over the previous Plan.

An approach paper has indicated the allocation of over USD 1 tn for infrastructure building in the Twelfth Plan.

This evolution from development-centric infrastructure to infrastructure-led development holds attractive prospects for the construction industry.

As a frontline infrastructure Company, C&C Constructions Limited is optimistic of accelerating its growth and enriching value for its stakeholders.

Inside the report

CORPORATE INFORMATION

BOARD OF DIRECTORS

Promoter and Executive Directors

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

Non Promoter and Executive Director

Mr. Rajendra Mohan Aggarwal

Independent Directors

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

NOMINEE DIRECTOR OF INDIA VENTURE TRUST

Mr. Arun Kumar Purwar

COMPANY SECRETARY CUM COMPLIANCE OFFICER

Mr. Deepak Nathani

AUDITORS

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

BANKERS

State Bank of India, New Delhi
State Bank of Patiala, New Delhi
State Bank of Hyderabad, New Delhi
Standard Chartered Bank, New Delhi
Indusind Bank, New Delhi
ICICI Bank, New Delhi
Barclays Bank, New Delhi
DBS Bank Ltd., New Delhi
The Hong Kong and Shanghai Banking Corporation Ltd., New Delhi
Axis Bank Ltd, Gurgaon
IDBI Bank Ltd, New Delhi
ING Vysya Bank, New Delhi
Oriental Bank Of Commerce, Gurgaon

CORPORATE OFFICE

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

INTEGRITY

&

IDENTITY

Integrity

Vision

To deliver to the client the best solutions and broaden its activity base by diversifying into other infrastructure disciplines to sustain a healthy growth rate

Mission

To achieve our objectives in an environment of fairness and courtesy to our clients, employees, vendors, investors and the society

Intent

- Focusing aggressively on growth markets
- Building capacities and capabilities across our organisational functions
- Partnering, acquiring and divesting to accelerate strategy implementation and focus our resources on the core business
- Providing integrated turnkey services and out-of-the-box solutions that differentiate us from competitors
- Investing in internal capabilities to build a high-performance culture

Identity

Legacy

Incorporated in July 1996 by a group of professionals; emerged as one of India's fastest-growing construction conglomerates focused on nation-building

Speed

Reported a turnover and a net profit CAGR of 41% and 12% respectively over the past five years leading to 2010-11, one of the fastest in its industry

Portfolio

Activities comprise the turnkey creation of roads, highways and urban infrastructure (water sanitation and sewerage, power/telecom transmission tower and commercial buildings)

Spread

34 projects spread across nine Indian states and one foreign country

Customers

Roads and highways:

Government of Meghalaya, PWD

Jaiprakash Associates Limited

Central Public Works Department

Government of Bihar, PWD

Government of Himachal Pradesh, PWD

National Highways Authority of India

Government of Punjab, PWD

Isolux Corsan India

Buildings and urban infrastructure:

Municipal Corporation Delhi

Punjab Infrastructure Development Board

Transmission:

Power Grid Corporation of India Limited

Railways:

Dedicated Freight Corridor Corporation of India Limited

Water and sewerage:

Punjab Water Supply & Sewerage Board

Ramky Infrastructure Limited

Intellectual capital

5 members with an organisational age of 153 years

Listing

C&C Constructions' shares are listed on the BSE and NSE (market capitalisation of Rs. 239 cr as on 30 June 2011)

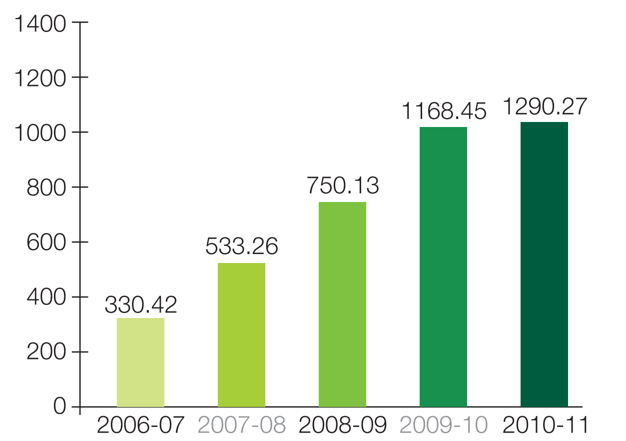
New projects bagged	Order value executed	Order book value	Team strength	Revenue (net)	Post-tax profit	Dividend per share
Rs. 2,061 cr	Rs. 1,290 cr	Rs. 3,577 cr	Over 5,000	Rs. 1,290 cr	Rs. 52 cr	Rs. 2.75

EVOLUTION & EXPERIENCE

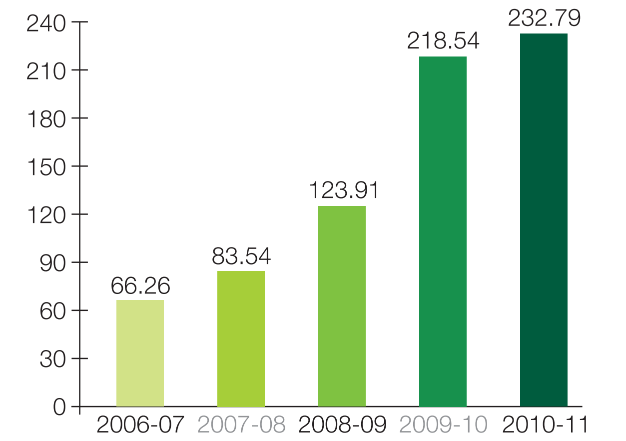
1996	Company incorporated by professionals
1996	First road project awarded in Punjab
1997	First airport project awarded in Kerala
2000	Bagged first national highway project in Durgapur, West Bengal
2001	First joint venture executed with BSPCL Infrastructure Limited
2003	Bagged the first ever overseas road project in Afghanistan
2005	Awarded three large contracts in Bihar
2006	Received the first urban transport project in Delhi
2007	Bagged a prestigious BOT (build–operate–transfer) on a national highway and Initial Public Offer
2008	First Railway Freight Corridor Project
2009	Ventured into commercial buildings and power transmission
2010	Forged partnership with Isolux Corsan (Spain); raised Rs.177cr through QIP, warrants and private equity (PE)
2011	Bagged a BOT project comprising the development of a computerised interstate check post in Punjab

GUTS & GROWTH

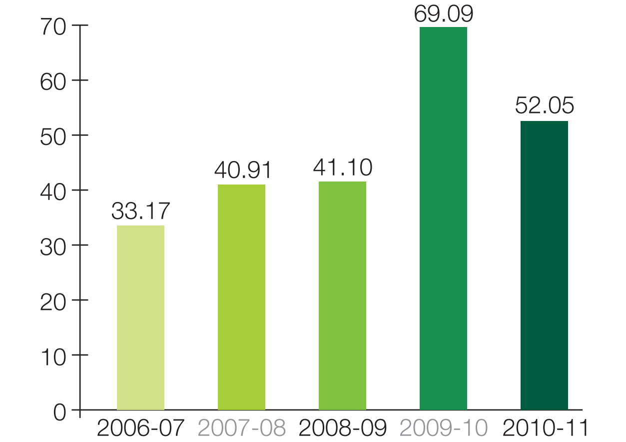
REVENUES (GROSS) Rs. in cr



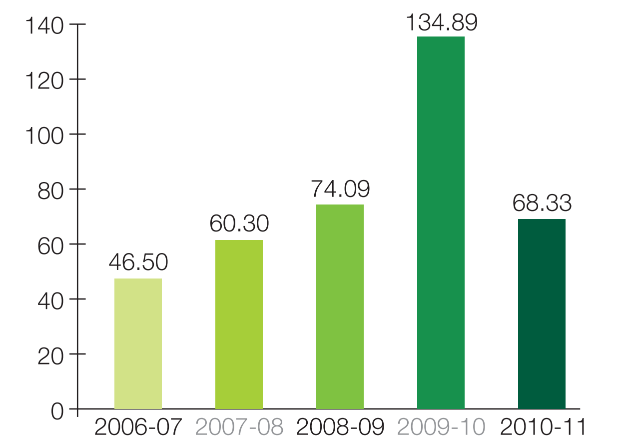
EBIDTA Rs. in cr



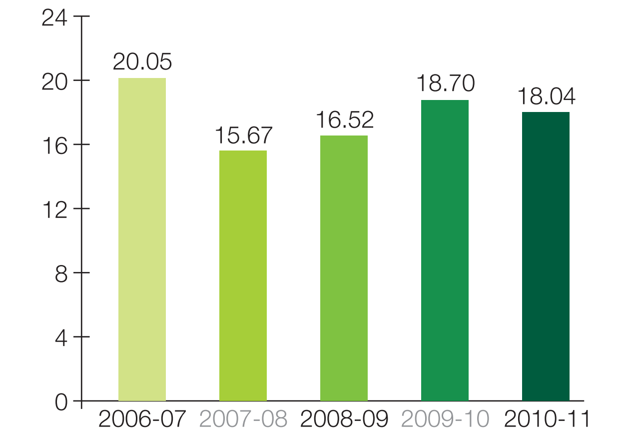
POST-TAX PROFIT Rs. in cr



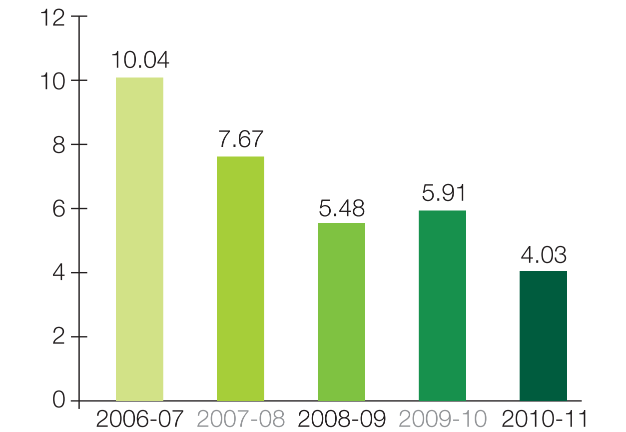
CASH PROFIT Rs. in cr



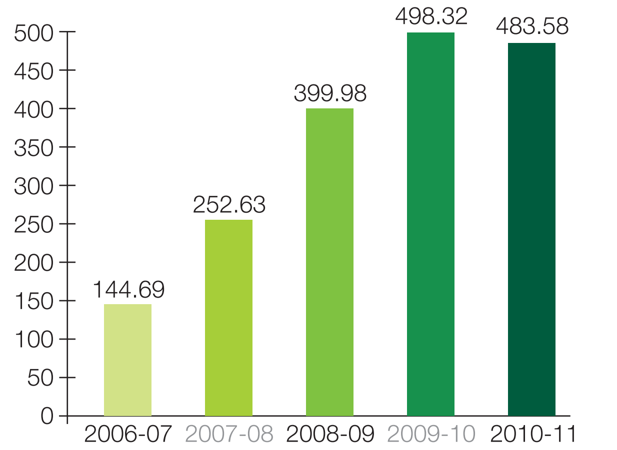
EBIDTA MARGIN Percent



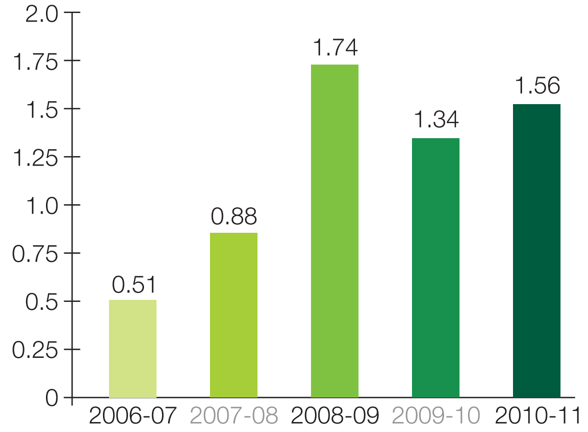
POST-TAX PROFIT MARGIN Percent



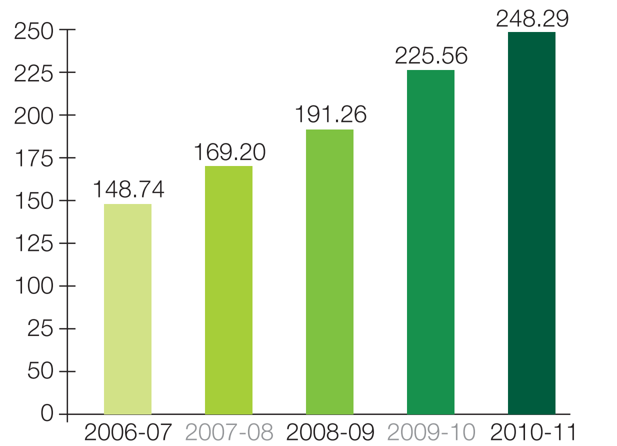
GROSS BLOCK
Rs. in cr



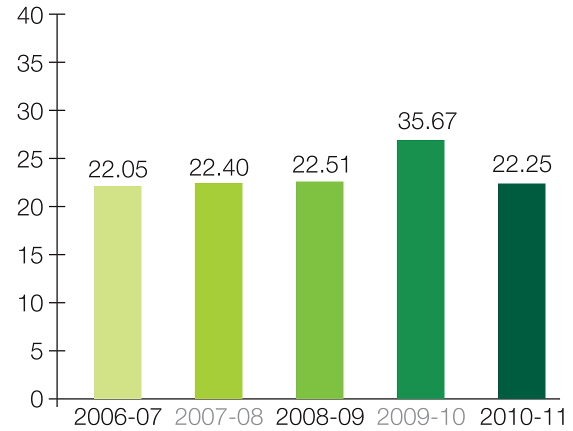
DEBT-EQUITY RATIO



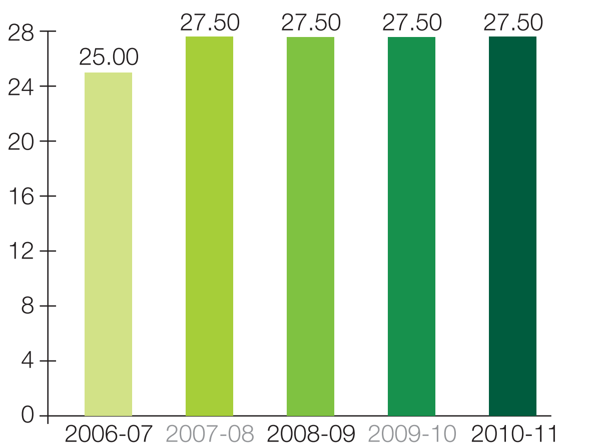
BOOK VALUE PER SHARE
Rs.



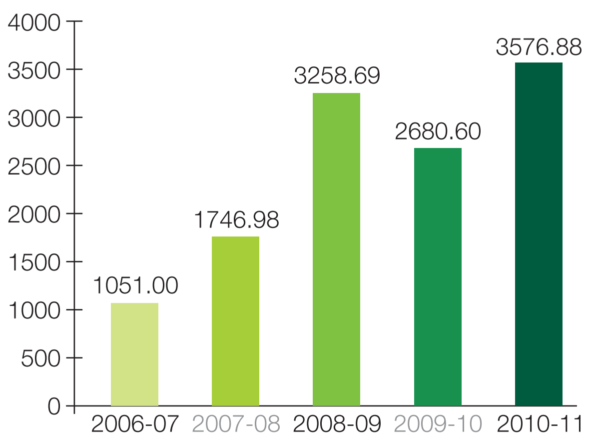
EARNINGS PER SHARE (BASIC)
Rs.



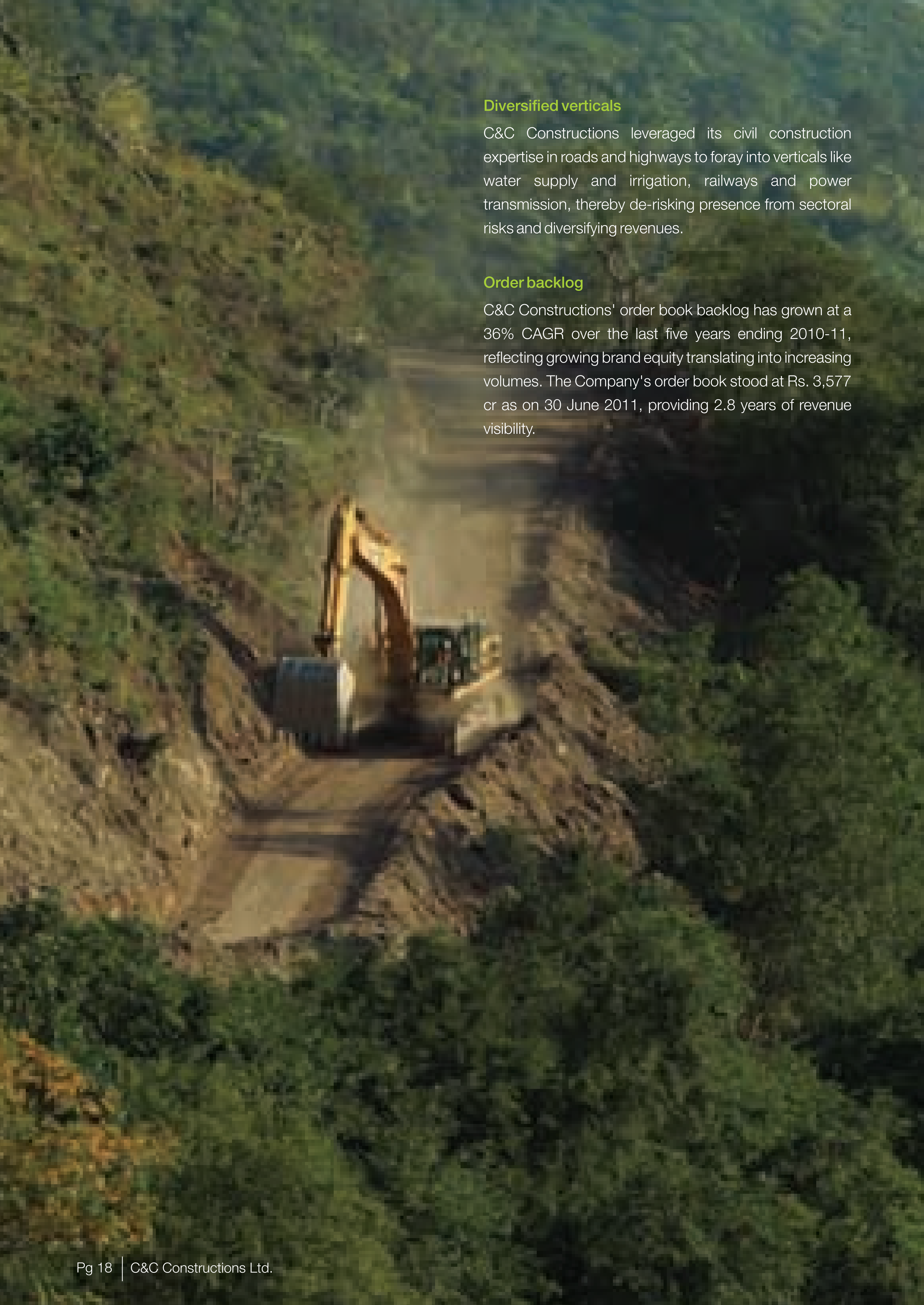
DIVIDEND
Percent



ORDER BOOK
Rs. in cr



STRATEGY & SUCCESS



Diversified verticals

C&C Constructions leveraged its civil construction expertise in roads and highways to foray into verticals like water supply and irrigation, railways and power transmission, thereby de-risking presence from sectoral risks and diversifying revenues.

Order backlog

C&C Constructions' order book backlog has grown at a 36% CAGR over the last five years ending 2010-11, reflecting growing brand equity translating into increasing volumes. The Company's order book stood at Rs. 3,577 cr as on 30 June 2011, providing 2.8 years of revenue visibility.

EPC turnkey projects

C&C Constructions is one of India's fastest growing civil construction companies with a track record of successfully completing and handing over 15 projects. The Company bids for providing integrated engineering-procurement-construction (EPC) services, providing customers with one-stop convenience and timely project completion.

Cost insulation

C&C Constructions' business interests are protected with 39% of its contracts possessing cost escalation clauses. This represents a robust competitive advantage in a scenario of volatile raw material costs. Besides, over 48% of its order book comprises projects awarded by government-backed agencies and BOT projects comprise 28% of the order book, ensuring timely receivables.

Joint venture partners

C&C Constructions has formed joint ventures across its portfolio with global industry-leading conglomerates comprising Isolux Corsán, Spain (USD 5 bn turnover) and BSCPL, India (USD 30 mn turnover) who provide the latest technology and global best practices.

Net worth

C&C Constructions' net worth increased at a 23% CAGR over the last five years ending 2010-11, indicating a growing profit plough back and net worth. The Company's net worth stood at Rs. 622 cr as on 30 June 2011, reflecting strong pre-qualification criteria in bidding for and bagging larger ticket projects.

Geographical spread

The Company's geographic spread is reflected in project execution across nine Indian states. As on 30 June 2011, the Company's order book was spread across India – 9% share in the West, 15% in the North and 69% in the East.

Robust quality practices

C&C Constructions is an ISO 9001:2000-certified Company meeting international quality benchmarks. The Company adopts stringent processes to enhance quality control.

Intellectual capital

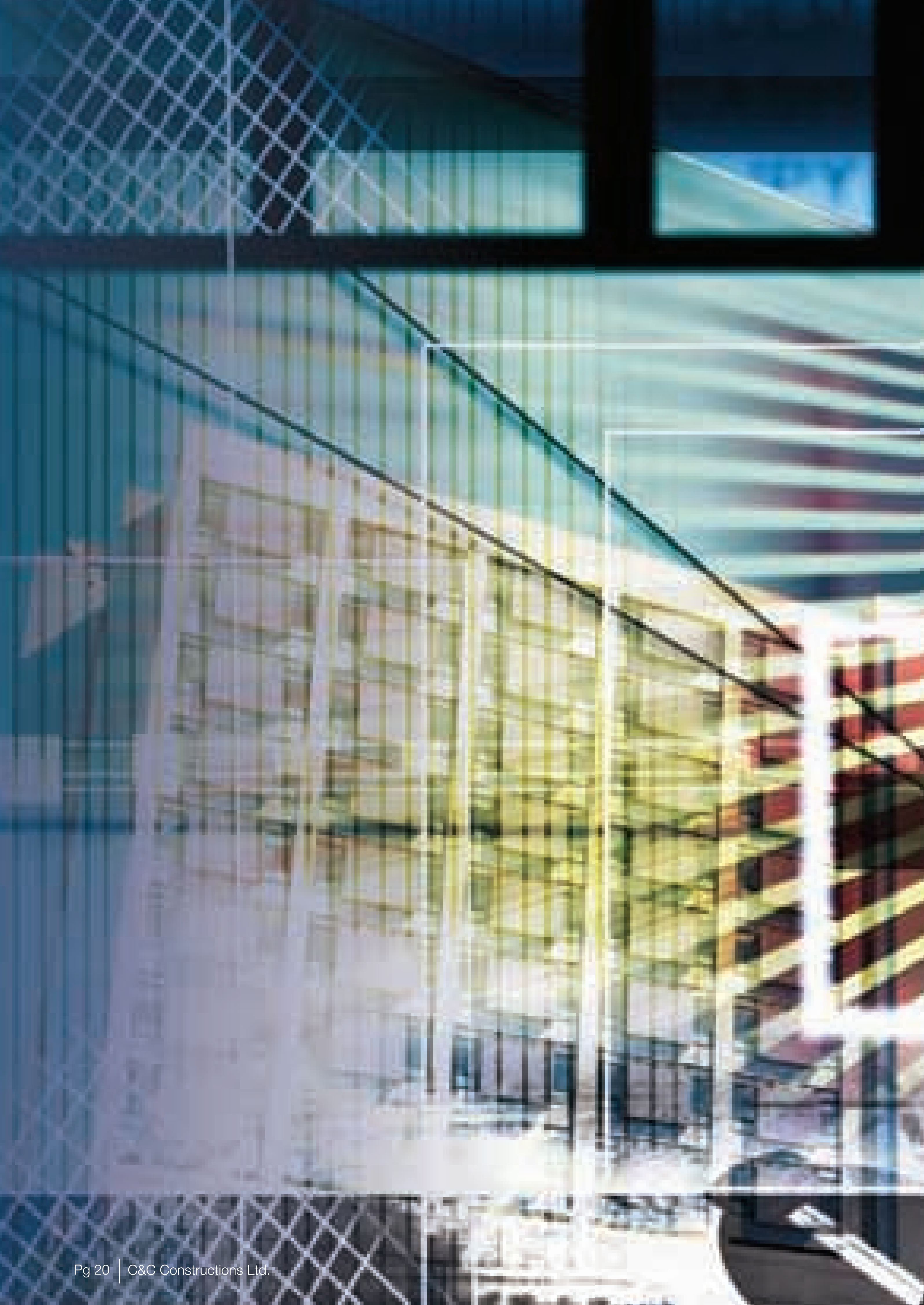
C&C Constructions is spearheaded by a senior management group with a collective experience of 153 person-years in the construction sector. As on 30 June 2011, 205 engineers, 700 technical and 727 other skilled personnel out of 2,417 total employees. An additional 5,227 people, including 358 engineers, 1500 technical and 1,358 other skilled personnel, are employed with JVs.

Deployment of high-quality, state-of-the-art assets and technology

C&C Constructions owns a fleet of construction equipment comprising heavy earth moving machines (hydraulic excavators, loaders, dozers and earth compacters), concreting plants (batching plants, concrete mixers, transit mixers and concrete pavers), road equipment (vibratory tandem rollers, electric paver finishers, mechanical paver finishers, hot mix plants, static rollers, truck mounted pressure bitumen sprayer and integrated stone crushing plants), quarry equipment (wagon drills, jack hammers and air compressors), transportation equipment (cars and jeeps, tippers, tractors, water tankers and trailers) and fabrication and erection plants (welding generators, gas cuttings sets, workshop equipment, cranes, generators), among others.

Deadline-oriented

Of the 15 projects executed so far, the Company delivered as per original/extended deadlines.



FUTURISTIC & FOCUSED

At C&C Constructions, we derive attractive growth through our diverse portfolio – roads, buildings, power transmission, railways and water and sewerage and supporting services.

That is because our assets play a critical role in enhancing the competitiveness of our customers: Improving their efficiency, enhancing throughput, raising product quality and reinforcing environmental compliance.

As opportunities increase, we will continue to enhance organisational speed, innovation and leadership.

18%
to
Rs. 622 cr

Growth in net worth for the financial year ending 30 June 2011

1.56 as on
30 June 2011

Our debt-equity ratio

ENTERPRISE & ENTREPRENEURSHIP

At C&C Constructions, our close customer engagement provides us with a rich insight into evolving marketplace requirements.

This results in project solutions that strengthen the customer's business, exploring adjacent spaces and widening our revenues. Over the years, we progressively decentralised decision-making and trained our people in line with world-class operating practices. These people-centric initiatives enabled us to report one of the lowest attrition rates in our industry.

10% growth to Rs. 1,290 cr

Growth in revenue for the financial year ending 30 June 2011

33% growth to Rs. 3,577 cr

Growth in order book during the financial year ending 30 June 2011

PROSPECTS & PROFITS

5

Times – the number by which India's GDP will have multiplied by 2030

36

% – CAGR of our order book over the last five years ending 2010-11

590

Million – the size of people living in urban Indian centers, twice the population of the United States today

3,577

Rs. cr – size of our order book backlog as on 30 June 2011

68

Cities will have a population of 1 mn plus, up from 42 cities today

41

Percent – CAGR of our topline over the last five years ending 2010-11

1.2

USD tn – worth of capital investment required to meet the projected infrastructure demand in Indian cities

1290

Rs. cr – our topline for 2010-11

700–900

Million sq. metres – of commercial and residential space required to be built – or a new Chicago – every year

233

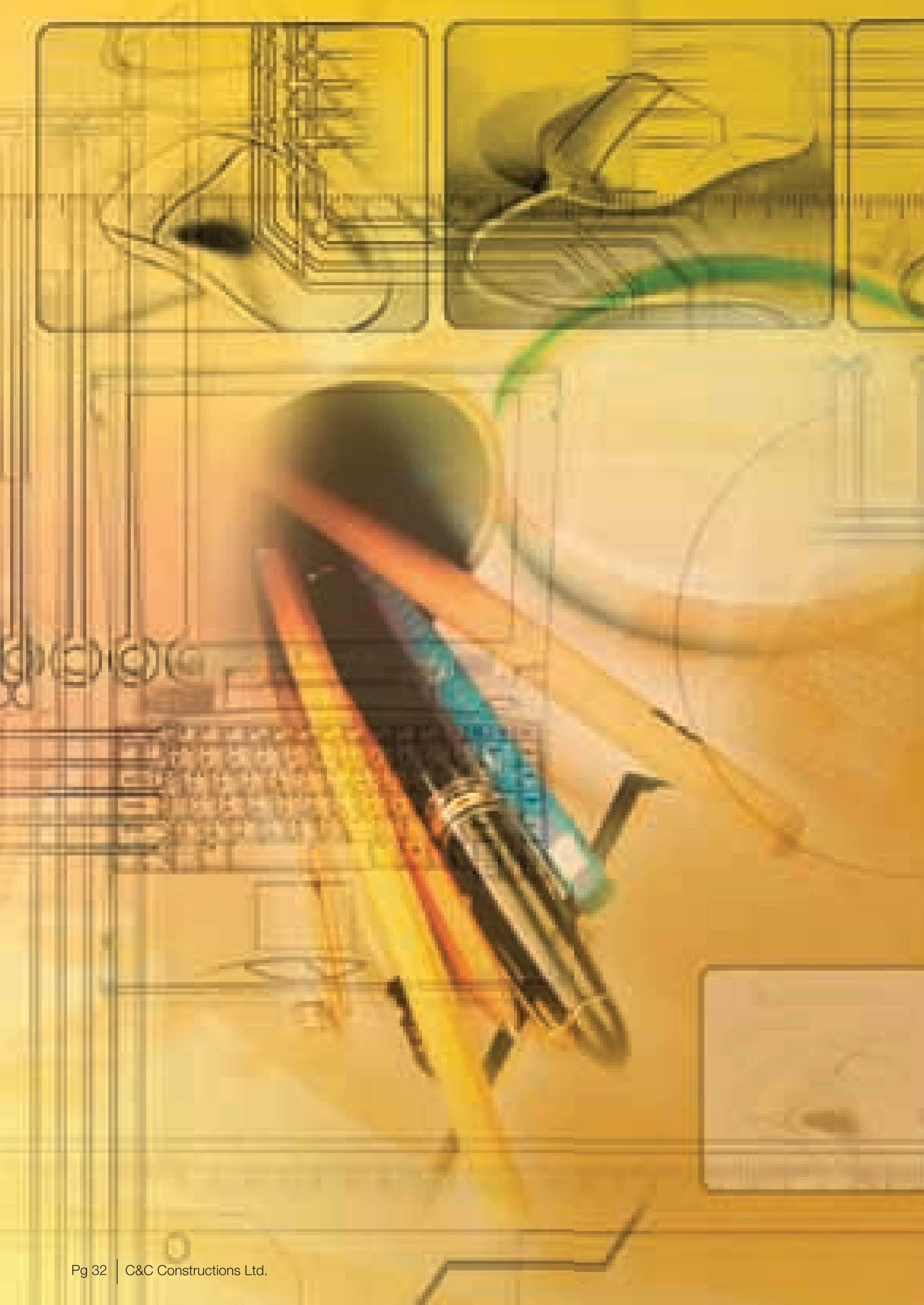
Rs. cr – our EBIDTA in 2010-11

2.5

Billion sq. metres – of roads that will have to be paved with 20 times the capacity added over the past decade

18

% – our EBIDTA margin in 2010-11; one of the highest in our industry



OPTIMISM & OPPORTUNITY

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

The times are momentous.

There is a shift in the concentration of economic strength from the advanced to developing nations (Asia, Latin America and the CIS).

This is of particular relevance for countries like India and China, demonstrating strong and sustainable growth. India's economic growth is catalysed by a growing domestic market and rising demand from the bottom of the national pyramid.

Urbanisation

India's construction and infrastructure industry is riding this transformation. The country will urbanise faster than ever – from 290 mn urban residents in 2001 to an estimated 340 mn in 2008 and a projected 590 mn by 2030. It is interesting to note that while it took India's urban population almost 40 years (1971 to 2008) to rise by 230 mn, it could take half that time to add another 250 mn.

This urbanisation presents unprecedented opportunities. India will need to spend USD 2.2 tn (Rs. 97.35 lakh cr at current exchange rates) in its cities by 2030 (Source: McKinsey Global Institute). Nearly USD 1.2 tn (Rs. 53.1 lakh cr) will need to be invested in water, sewage, transport and housing infrastructure as 40% of India's estimated 1.47 bn population will reside in urban areas by 2030. The majority of the population in at least five Indian states – Tamil Nadu, Gujarat, Maharashtra, Punjab and Karnataka – is expected to be living in urban areas by then. Some 70% of the net new jobs created in India are likely to be in cities by 2030. The result: Urban infrastructure spending as a percentage of the gross domestic product (GDP) will need to rise from 0.5-2% to keep up with the growing demand.

Enriching role

C&C Constructions expects to play a growing role in this transformation. The Company is enriching its service offering, securing resource availability and reinforcing its governance. Besides, the Company is actively engaged in nation-building across 32 project sites in nine Indian states, in addition to working in two projects in resource-rich Afghanistan. Correspondingly, the Company has planned a Rs. 75 cr gross block investment across two years to strengthen its resource base and address emerging opportunities.

C&C Constructions is present in the right sectors at the right time with the right talent mix to emerge as the creator of next-generation assets. This has translated into the underlying theme of this year's report.

C&C Constructions' commitment to the highest standards of corporate governance is reflected in transparent stakeholder communication and the underlying element of trust that we have been able to create among local residents in the multi-cultural locations of our presence through corporate and community engagements.

Outlook

We performed satisfactorily in 2010-11. Our turnover touched Rs. 1,290 cr compared with Rs. 1,168 cr in 2009-10. Our net profit of Rs. 52 cr in 2010-11 compared with Rs. 69 cr in 2009-10. We expect to sustain our growth through sectoral leadership, advanced technologies, an efficient cost structure and a discerning insight into emerging opportunities.

Sincerely,

Gurjeet Singh Johar

Chairman

LEADING THE WAY

From left to right:
Mr Gurjeet Singh Johar
Mr Charanbir Singh Sethi
Mr Rajbir Singh
Mr Sanjay Gupta
Mr Amrit Pal Singh Chadha
Mr Rajendra Mohan Aggarwal
Mr Deepak Dasgupta
Mr Anand Bordia
Mr Ramesh Chandra Rekhi

Mr Tarlochan Singh
Mr Kanwal Monga
Mr. J. Ganguly
Gen. N.C. Vij
Mr Arun Kumar Purwar





Q&A WITH THE CHAIRMAN

"We are optimistic, following Rs. 2,061 cr of fresh order booking in 2010-11, one of our highest-ever annual order accretions."
- Gurjeet Singh Johar

Q: Where is the Company today and where does it expect to go?
A. We ended the year 2010-11 (June year end) with a topline growth of 10% to Rs. 1,290 cr. This has prepared the foundation for us to emerge as a USD 1 bn infrastructure organisation over four years.

Q: How does the Company expect to quadruple revenues in just four years?
A. Through a prudent selection of business verticals and geographies. India is passing through one of the most attractive growth phases wherein unprecedented investment will lead to infrastructure growth, which in turn will lead to economic growth. Going ahead, our objective will be to be present in the infrastructure sectors and geographies that grow faster than the others with the objective to achieve exponential growth in a relatively compressed duration.

Q. Which infrastructure segments does the Company intend to grow its presence in?
A. We intend to grow our presence largely in five sectors – roads (BOT/ BOOT/ DBFOT), power (hydro, thermal and renewables through third-party EPC and merchant generation), MEP (mechanical-electrical-plumbing) works, power transmission and railways – that are likely to remain central to the country's core sector growth. We perceive unprecedented investments likely to be made in these business spaces, which makes it imperative for us to reinforce our related competencies – self-grown or through alliances – that enable us to carve out a significant share of the national order book.

Q: How would you explain the impending growth in each sector?
A. The sectors we are focusing on are at the cusp of reporting unprecedented growth over the next few years.

Roads: Some Rs. 1.3 tn was invested in India's roads and highways during the Tenth Five Year Plan followed by a estimated spending of Rs. 2.8 tn in the Eleventh Plan and Rs. 4.6 tn in the Twelfth Plan. The Roads and Highways Ministry pledged to scale national road construction to 20 km per day. NHAI is increasingly awarding turnkey contracts on DBFOT (design-build-finance-operate-transfer), BOT (build-operate-transfer) and BOOT (build-own-operate-transfer) basis, enhancing opportunities for integrated construction companies.

Power: The Eleventh Plan power generation target of 78,000 MW will spill into the Twelfth Plan in addition to a 100,000 MW forecast for the Twelfth Plan. There is one reason why much of what has been forecast for the Twelfth Plan will actually happen: There will be a greater proportion of private sector investments in the power sector, which will translate into greater timeliness in project completion. This massive generation target of the pending Eleventh Plan period with the Twelfth Plan will also create massive transmission segment opportunities (pegged at 3 lac ckm) of the business for which we entered into a partnership with the globally-renowned Isolux Corsan of Spain. We will not only commission power-generating assets but also intend to derive steady annuity revenues through the sale of power.

Railways: Since independence, Indian Railways inherited 53,996 of route km of rail network and only around 10,000 km was added in more than six decades thereafter. India Railways now proposes to add 25,000 km by 2020 through government funding and public-private partnerships (PPPs).

Q: How does the Company expect to capitalise on this emerging growth?
A. We intend to engage in more complex projects. We entered into cutting-edge technology and best practice alliances with globally-respected companies (Isolux Corsan, Spain, BSCPL Infrastructure and Sukhmani Engineering). We also intend to qualify for large financially-closed projects backed by credible lenders enabling us to achieve attractive internal rates of return.

Q. If projects are becoming larger and more complex, can this lead to industry consolidation?
A. Yes, it can. As projects get larger and complex, they will inevitably move to players with stronger prequalification capabilities (finance, design, construction, development and ownership). This growing preference for DBFOT/ BOT/ BOOT will serve as a sieve to filter competition, widen

the gap between the large and the small and eventually lead to industry-level consolidation. As a future-focused organisation, we are strengthening our project design capabilities to reinforce our competitiveness.

Q. How would you analyse the Company's performance in 2010-11?

A. The Company performed credibly during the year under review, despite a general depression in the construction industry owing to regional issues, land acquisition problems, rising interest rates and an economic slowdown. Despite these challenges, we registered a gross income increase of 10% to Rs. 1,290 cr in 2010-11, though the same fell short of our internal target by about Rs. 500-550 cr. Owing to general sluggishness, orders that we were expecting during a particular period got awarded after delay; nearly 66% of our order book accretion of Rs. 2,061 cr was awarded only during the last two quarters of 2010-11, affecting project delivery. However, we maintained our operating margins at 18% in 2010-11 even as higher operating and interest costs resulted in a 25% decline in net profit to Rs. 52 cr in 2010-11.

Q. How did the Company maintain its EBIDTA margin?

A. A number of initiatives helped the Company protect margins:

- First, a strong business understanding enhanced our presence in fast-growing verticals, representing an attractive volume-value proposition
- Second, we sub-contracted non-core project components, liberating resources for onward reinvestment
- Third, through sub-contracting, we developed a strong base of associates who provide cost-intensive labour while we provide assets and supervision
- Fourth, we selected profitable projects higher than our minimum margins threshold
- Fifth, we decentralised the organisation, accelerating decision making
- Sixth, our first BOT road project (operationalised August 2011) and Mohali Bus Terminal Section completion (2011 end) will enhance revenue visibility

Q. The Company has significant debt on its books. Is this a cause of concern?

A. The Company is in the investment phase of its existence, requiring capital infusion to not only participate in consortium bidding but also to invest in subsidiary/ SPV companies. Nearly 70% of our debt funded working capital locked into inventory for projects awarded and construction initiated during the fag end of 2010-11 with milestone payments spilling into 2011-12. So while costs for these projects were reflected in 2010-11, revenues will materialise only in 2011-12. We are reviewing and examining various equity fund mobilisation instruments across our subsidiary/ SPV companies to unleash the maximum value of our holding in these entities and reinvest funds in project development. Besides, there is an optimism that while interest rates may have peaked, we will move to business verticals that are working capital-light. This will enable us to correct our gearing from 0.61 to 0.50 in 2012-13, enhancing our profitability.

Q. How is the Company insulated from external cost pressures?

A. Nearly 39% of our contracts possess an escalation clause, making it possible for us to pass on cost increases to customers. We entered into long-term supply contracts for key raw materials (cement, sand and diesel among others) to counter inflation and widen our delta.

Q. How does the Company expect to strengthen shareholder value?

A. We proposed a dividend of Rs. 2.75 per equity share of face value of Rs. 10 for 2010-11. Besides, our market capitalisation of Rs. 239 cr (as on 30 June 2011) trailed our order book of Rs. 3,577 cr (as on 30 June 2011) by a multiple of 15 whereas the industry average was around 10, indicating room for a stock re-rating.

Going ahead, prudent project bidding will protect margins, enhance efficiency and cap costs. Our focus on balancing dividend disbursement with the need to reinvest profits into the business will only strengthen our net worth and project qualification capability. We also are in the process of shifting from pure-play construction company to a development cum construction company. In doing so, we expect our shareholders to remain invested with us.

PORTFOLIO & PROFITABILITY

BUSINESS SEGMENT REVIEW

C&C Constructions enjoys a strategically diversified portfolio strengthening returns. It extends its presence across some of India's fastest-growing infrastructure verticals comprising roads, urban infrastructure, railways, water and sewerage and power transmission.

- Bridges and flyovers construction
- Construction of new highways and re-alignment of existing highways
- Construction of bypasses
- Widening and strengthening of existing carriageways
- Creation of airport runways

Particulars	Roads	Urban Infrastructure	Railways	Water and Sewerage	Transmission & Piling	Total
Orders on hand as on 1st July 2010*	1,591	676	378	128	16	2,789
	57%	24%	13%	5%	1%	100%
Add: New orders received	1,918	0	0	0	160	2,078
	92%	0%	0%	0%	8%	100%
Less: Value of work executed	1,077	141	36	15	22	1,290
	83%	11%	3%	1%	2%	100%
Balance as on 30th June 2011	2,432	535	342	114	154	3,577
	68%	15%	10%	3%	4%	100%

*Orders on hand as on 1 July 2010 includes escalation and variation in works during the year 2010 – 11.

Business segment review -1

ROADS

- Segment status within Company: Largest
- Portfolio: Road, highways, bridges and flyovers construction
- Total number of projects completed till date: 15
- Number of ongoing projects as at 30 June 2011: 19
- Number of projects bagged in 2010-11: 4
- Revenue, 2010-11: Rs. 1077 cr
- Revenue growth, 2010-11: 1.32%
- Contribution to the total revenue in 2010-11: 83%
- Order book as on 30 June 2011: Rs. 2432 cr

Overview

C&C Constructions ventured into business through a road construction project to address opportunities arising out of the NHAI and NHDP programmes. The division is as old as the Company. C&C Constructions' roads division emerged as the Company's flagship, accounting for 83% of its topline in 2010-11 and 68% of its order book (30 June 2011). Over the years, the Company's expertise extended from road construction to highways, bridges and flyovers.

C&C Constructions' road segment enjoys a superior presence across the following areas:

- Road development under BOT/ BOOT/ DBFOT
- Upgrade and rehabilitation of existing road sections

Segment strategy

- To leverage advantages from rising private sector participation in BOT/ BOOT/DBFOT projects
- To concentrate on emerging sectors like check-post integration
- To access technology from international players and propose for mega projects
- To bid for projects with superior margins

Key strengths

Strong financial base: The Company bids for progressively growing projects (from an average Rs. 447 cr in 2006-07 to Rs. 1,043 cr in 2010-11) owing to rising net worth leading to stronger prequalification capability. The Company's order book reflected an average project denomination of Rs. 92 cr as on 30 June 2011, attractive in terms of scale and profitability.

Captive equipment: In order to turn projects around with agility, economy and quality, the Company progressively invested in captive equipment ownership. Its equipment portfolio comprises the latest generation of pavers, sensor pavers, tandem rollers, kerb laying machines, pneumatic tyre rollers and wet mix plants, among others. It possesses one of the largest pile rigs in India and state-of-the-art equipment capable of measuring post-construction road quality. Nearly 30% of the Company's asset base is imported, enabling it to create world-class infrastructure on schedule.

Tendering efficiency: The Company possesses tender management skills derived from its deep engineering knowledge leading to informed and competitive bidding.

Credible partners: The Company ventured into business-enhancing partnerships with reputable global conglomerates like Isolux (Spain) and BSCPL Infrastructure, among others, enabling it to bid for large specialised projects.

Right project selection: The division bids for projects worth Rs. 500 cr and above, achieving economies-of-scale in equipment and resource mobilisation.

Quality: The Company commissioned independent laboratories at all sites – irrespective of the project size – equipped with the latest equipment, enhancing quality across the entire project cycle.

Timely completion: The projects undertaken by this division are reputed for timely completion without a single instance of the Company being penalised for delay. The Company was awarded a bonus for early project completion.

International presence: The division's order book reflects a diversified geographic presence - 7% of the segment's order book was located in Afghanistan.

Responsible tendering: The division's cost estimation and tendering teams conduct meticulous documents study, site visits, local office commissioning. The verifications and cost computation are facilitated by information technology tools.

Robust engineering talent: A rich talent pool of engineers, graduates from reputable engineering institutes helped complete projects on schedule.

SEGMENT FINANCIAL SNAPSHOT (RS. IN CR)

	2006-07	2007-08	2008-09	2009-10	2010-11
Order book status (as on 30 June)	1,011	1,647	2,125	1,484	2,432
Turnover	330	528	666	1,063	1,077

Outlook

The division expects to embark on the following initiatives:

- Strengthen its existing design wing for captive and external orders, graduating it to a profit centre
- Enhance equipment utilisation
- Recruit manpower through tie-ups with engineering and other institutes
- Widen presence through projects related to mass rapid transport systems (MRTS), urban flyovers, ports, interchanges, outer city ring roads and railways, offering significant scope in engineering and value-addition
- Capture a larger market share in the roads transportation vertical and emerge as among the largest segmental players in India

Isolux Corsan (Spain), our joint venture partner

- The outcome of a takeover of Corsán-Corviam by Isolux Wat in 2004
- A global 80-year benchmark in the areas of concession, energy, construction and industrial services; 82% of the backlog are contracts from outside Spain
- Operates in 30 countries and four continents with an order backlog of more than 30.180 bn, making it one of the major European infrastructure groups
- Recorded € 3.24 bn in revenues and € 311 mn in EBITDA in 2010
- Global benchmark for transmission of high-voltage power with over 5,237 km of lines under concession in India, Brazil and the US; constructs and manages 1,690 km of toll roads under concession agreements in four countries (Spain, India, Brazil and Mexico) and operates 21,683 parking spaces in Spain
- Reaffirmed its EPC leadership in solar photovoltaic plants; developed 267 MW in three years

KEY PROJECTS COMPLETED (ROADS)				
Project	**Client**	**JV/Direct**	**Contract Value (C & C share- Rs. cr)**	**Completed**
Development of State Highways under RSVY scheme. Pkg. No.17: Nawada & Jamui District	Central Public Works Department	JV	29	Mar, 2010
Improvement/upgradation for existing road of States Highway into 2 lanes road in Madhubani	Ircon International Limited	JV	31	Mar, 2010
Rehabilitation of Kapurthala-Taran Taran Road	Public works Department, Punjab	Direct	55	Dec, 2009
Construction works related to widening/upgrading of roads to convert the existing carriageway to multilane facility for the High Capacity Bus System	RITES Limited	JV	65	Nov, 2009
Upgradation of Tarn Taran–Chabbal–Attari Road	Public works Department, Punjab	Direct	45	Aug, 2009
Build, design and rehabilitation of Taliqan to Kishem Road, Afghanistan	Ministry of Public Works, Afghanistan	JV	45	Apr, 2008
Reconstruction of Jalalabad- Asmer Road, Afghanistan (from km 0 to 125)	Ministry of Public Works, Afghanistan	JV	79	Apr, 2007
Kandahar to Heart, highway improvement project, Afghanistan (km 456 to 557)	Louis Berger Group, Inc	JV	121	Oct, 2006
Design build and rehabilitation of Lashkar Gah Ring Road, Afghanistan from km 00 to 43+00	UNOPS	JV	30	July, 2006
Design & build contract for rehabilitation of Kandahar–Spin Boldak highway, Afghanistanh (Funded by ADB)	Ministry of Public Works, Afghanistan	JV	53	Nov, 2005
Construction of Kandahar–Trin Kot Road Project, Afghanistan	UNOPS	JV	49	Oct, 2005
Design & Build Contract for Rehabilitation of 85 Km. stretch from km 262 to km 347 of Kabul-Kandahar highway, Afghanistan	Louis Berger Group, Inc	JV	103	June, 2005
Four-laning of Km 146.00 to Km 156.00, Guwahati Bypass, NH-37	National Highways Authority of India	JV	18	June, 2004
Resurfacing of existing runway, taxi track and extension and construction of runway, taxi tract and apron, Amritsar	Airport Authority of India	JV	11	Nov, 2003
Extension of runway by 5,000 ft, Port Blair Airport	Airport Authority of India/BSCPL	Direct	21	Jan, 2002

KEY PROJECTS UNDER EXECUTION (ROADS)			
Project	Client	JV/Direct	Contract Value (C & C share- Rs. cr)
Two-laning of Nongstoin to Shillong section of NH-44 and Nongstoin–Rongjeng–Tura road in the state of Meghalaya under phase 'A' of SARDP-NE	Public Works Department, Meghalaya	JV	652
Six-laning of Varanasi–Aurangabad section of NH 2 in Bihar	Isolux Corsan, India	JV	584
Construction and maintenance of Zirakpur–Parwanoo section of NH-22 from km 39.860 to Km 67.00 including construction of Pinjore–Kalka–Parwanoo Bypass	Jaiprakash Associates Ltd.	Direct	499
Four-laning of Patna–Bakhtiarpur section of NH-30 from km 181.300 to km 231.950 in Bihar	Patna Bakhtiarpur Tollways Limited	JV	385
Construction of rigid pavement and granular layers for package C-1(Km.0.500 to km 56.00) and C-2 (km56.000 to km 110.00) for Yamuna Expressway (erstwhile Taj Expressway)	Jaiprakash Associates Ltd.	Direct	324
Two-laning of Muzaffarpur Sonbarsa section of NH-77 from km 2.800 to km 89.000 in Bihar	North Bihar Highway Limited	JV	280
Widening and strengthening to four lane of existing single/intermediate lane carriageway of NH57 section from km 155.00 (Kosi Western Ring Bund) to km 110.00 (Jhanjharpur) in Bihar on East West Corridor under NHDP-Phase-II, Package No. C-II/BR-6	National Highway Authority of India	JV	227
Improvement/upgradation of Jahanabad–Ghosi–Hajipur–Lalgunj–Vaisali–Manikpur–Paru-Baradaud Deoria–Sahebganj–Lalchhapra–Kesharia–Khajuria Areraj Road (SH-74) length 85.00 km	Public Works Department, Bihar	Direct	225
Widening and strengthening to 4 lane of existing single/intermediate lane carriageway of National Highway No.57section from km 69.80 to km 37.75 in the states of Bihar on East West Corridor under NHDP-Phase-II, Package No. C-II/BR-8	National Highway Authority of India	JV	217
Widening and strengthening to four lane of existing single/intermediate lane carriageway of NH57 section from km 37.75 to km 0.00 in Bihar on East West Corridor under NHDP-Phase-II, Package No. C-II/BR-9	National Highway Authority of India	JV	200
Gardez-khost road construction project, Paktia Khost	LBG B&V JV	JV	198
Two-laning with paved shoulders of Mokama Munger section of NH80 from km 1.430 to km 70.00 in Bihar under NHDP-III	Mokama Munger Highway Limited	JV	195
Widening and strengthening of existing two lane section of Kurali–Kiratpur section of NH-21 from km 28.600 to km 73.200 to four lane divided carriageway in Punjab	BSC C and C Kurali Toll Road Limited	JV	184
Improvement/upgradation of Jahanabad–Ghosi–Islampur–Rajgir–Giriyak–Parwatipur road (SH-71) length 85.00 km	Public Works Department, Bihar	Direct	168
Improvement/upgradation of Araria–Ranigunj–Jadia–Trivenijung–Piapara–Supaul–Bishunpur–Bhaptiyahi road (SH-76) length 121.00 km	Public Works Department, Bihar	JV	162
Improvement/upgradation of Kursela–Pothia–Falka–Meerganj–Sarsi–Kalabalu–Ranigunj–Shaifgunj–Forbesgunj road (SH-77) length 105.00 km	Public Works Department, Bihar	JV	139
Upgradation of Kharar–Landran–Banur–Tepla road from km 0 to km 39.53	Public Works Department, Punjab	Direct	109
Widening and strengthening of Una– Barsar–Bhota– Bhamla–Kalkhar–Ner Chowk road project from km 45+000 to km 90+800 (Section Barsar–Bhota–Jahu	Public Works Department, Himachal Pradesh	Direct	95
Widening and strengthening of Una–Barsar–Bhota–Bhamla–Kalkhar–Ner Chowk road project from km 0+000 to km 45+000 (Section Una–Bangana–Barsar)	Public Works Department, Himachal Pradesh	Direct	90

Business segment review – 2

URBAN INFRASTRUCTURE

- Segment status within the Company: Second-largest
- Portfolio: Industrial buildings, commercial buildings, and shopping malls
- Number of ongoing projects as at 30 June 2011: 5
- Revenue, 2010-11: Rs. 141 cr
- Revenue growth, 2010-11: 71%
- Contribution to the total revenue in 2010-11: 11%
- Order book as on 30 June 2011: Rs. 534 cr

Overview

C&C Constructions' buildings division evolved from a mere contractor to a full-fledged infrastructure solutions provider. The Company utilises modern construction techniques (folded plate and shell roof, pre-cast and pre-stressed roof elements) to facilitate quick and economical factory construction, workshop structures, industrial buildings, commercial buildings, housing projects and shopping malls, among others.

Segment strategy

- Endeavour to enhance resource productivity
- Target a Y-O-Y growth of 20-25%
- Retain quality employees and hire qualified and experienced people
- Provide turnkey EPC services

Key strengths

Experience: The division acquired deep skills in the management of complex projects. Over the years, this goodwill extended into the commissioning of other divisions.

On-time delivery: The division established a reputation for timely and competent delivery, making it a preferred constructor. A significant part of the Company's order book from this segment is derived from repeat orders from clients.

Client-specific solutions: The division's wide clientele comprises government organisations and large industrial houses with customised solutions.

Asset strength: The division deploys world-class equipment comprising the batch mixer, concrete batching plant and crawler tower cranes, which enhance project quality and shrink commissioning time.

Innovation: This division developed innovative operational methods to substitute conventional building construction methods, which eliminates construction joints, reduces the possibility of cracks and dampness and accelerates construction speed; it involves the manufacture of on-site pre-cast building components resulting in large volumes of built-up area and greater quality delivered in the least possible time.

Knowledge-centric: The employee division represents a prudent mix of academic and hands-on experience.

SEGMENT FINANCIAL SNAPSHOT (RS. IN CR)

	2006-07	2007-08	2008-09	2009-10	2010-11
Order book status (as on 30 June)	-	61	706	676	534
Turnover	-	6	82	83	141

Outlook

- The division expects to enter into the construction of high-rise superstructures
- The segment is selectively downsizing this division to liberate management time to concentrate on other high-margin opportunities
- Focus on completion of the Mohali Bus Terminal Section by end-2011

KEY PROJECTS UNDER EXECUTION (URBAN INFRASTRUCTURE)

Project	Client	JV/Direct	Contract Value (C & C Share-Rs. cr)
Development of bus terminal-cum-commercial complex at Mohali on BOT basis	C&C Towers Limited	Direct	317
Construction of Afghan Parliament and Indian Chancery building at Kabul, Afghanistan	Central Public Works Department	JV	292
Construction of conventional underground multilevel car parking at various sites in Delhi	Municiapl Corporation of Delhi	Direct	119
Construction of conventional underground multi-level car parking at various Sites in Delhi	Municiapl Corporation of Delhi	Direct	52
Building – Mudit	Mudit Cements	Direct	42

Business segment review – 3

RAILWAYS

- Segment status within Company : Third-largest
- Portfolio: Bridges, ROBs
- Number of ongoing projects as at 30 June 2011: 1
- Revenue, 2010-11: Rs. 36 cr
- Revenue growth, 2010-11: 184%
- Contribution to the total revenue in 2010-11: 3%
- Order book as on 30 June 2011: Rs. 342 cr

Overview

C&C Construction's railways division was set up in 2008 with a view to tap the immense opportunities in the railway sector. The government has earmarked an investment of over Rs. 63 bn over the next two years. The division possesses the ability execute turnkey track laying solutions – from excavation to laying down the tracks along with major and minor bridges. The division has invested in procuring capital equipment and employing talented engineers. The divisional strategy comprises entering into joint ventures or tie-ups on a case-to-case basis to focus on overhead electrification, signal lines and track laying.

Segment strategy

- Enter joint ventures and tie-ups on a case-to-case basis
- Construct overhead electrification, signal lines and track laying
- Leverage competence in road and bridge construction
- Focus on upcoming dedicated freight corridor projects

Key strengths

Turnkey solutions provider: The division provides a one-stop solution comprising excavation, embankment, blanketing, ballast supply and track laying with the commissioning of major and minor bridges.

Captive equipment ownership: The division invested in state-of-the-art equipment towards overall efficiency improvement and completing assignments within given timelines.

Joint venture: The division entered into joint ventures with reputed companies on a case-to-case basis depending upon the nature of work.

Rich intellectual capital: The division employs talented and competent engineers

SEGMENT FINANCIAL SNAPSHOT (RS. IN CR)

	2006-07	2007-08	2008-09	2009-10	2010-11
Order book status (as on 30 June)	-	-	391	378	342
Turnover	-	-	-	13	36

Outlook

- It expects to bid for and bag additional projects especially in the third and fourth gauge lines as announced by the Ministry of Railways
- The division is working for Dedicated Freight Corridor Corporation of India (DFCC) and expects to win repeat orders

KEY PROJECTS UNDER EXECUTION (RAILWAY)

Project	Client	JV/Direct	Contract Value (C & C Share-Rs. cr)
Design and construction of major/minor bridges RUB, ROB, ballast for Dedicated Freight Corridor on Mughal Sarai- Sone Nagar section of Eastern Corridor in Bihar and Uttar Pradesh	Dedicated Freight Corridor Corporation of India Limited	JV	391

Business segment review – 4

TRANSMISSION & PILING

- Segment status within Company: Fourth-largest
- Portfolio: Design, engineering, erecting, testing and commissioning of power transmission lines and electrification system improvement and piling

Transmission

- Number of ongoing projects as at 30 June 2011: 3
- Number of projects bagged in 2010-11: 2
- Revenue, 2010-11: Rs. 22 cr
- Revenue growth, 2010-11: 670%
- Contribution to the total revenue in 2010-11: 2%
- Order book as on 30 June 2011: Rs. 52 cr

Piling

- Number of ongoing projects as at 30 June 2011: 3
- Number of projects bagged in 2010-11: 3
- Order book as on 30 June 2011: Rs. 102 cr

Overview

C&C Constructions' transmission business segment was established to tap opportunities arising from the modernisation undertaken by the government on the distribution front. The various types of projects that this division undertakes comprises design, engineering, erecting, testing and commissioning of transmission lines and substations, electrification systems improvement projects and engineering and construction of distribution lines.

Segment strategy

- Diversify to gas insulated and EHV substations, transmission and underground cabling to capitalise on better opportunities
- Enter into joint ventures with foreign companies in the area of transmission of extra high voltage cabling
- Increase volumes of transmission and distribution rather than merely increase the number of projects
- Concentrate on a few rather than multiple sites; target larger transmission lines from 400-765 KV
- Recruit experienced people and consultants for the transmission segment
- Improve efficiency to liberate resources

Key strengths

Good sub-contractor relationships: The division enjoys excellent sub-contactor relationships, which help in overall project execution.

Engineering capability: This rich talent source helps undertake complex projects and complete them on time, meeting requisite quality parameters.

Low inventory and overhead: The inventory requirement for this division is the lowest compared with other business divisions because a large chunk of the work is outsourced.

SEGMENT FINANCIAL SNAPSHOT (RS. IN CR)

	2006-07	2007-08	2008-09	2009-10	2010-11
Order book status (as on 30 June)	-	-	-	16	154
Turnover	-	-	-	3	22

Outlook

- Concentrate on transmission lines of 400 KV and above by imparting training to employees
- Enter new markets through establishing a strong presence in the business
- Recruit qualified people to undertake a larger volume of projects

KEY PROJECTS UNDER EXECUTION (TRANSMISSION & PILING)

	Project	Client	JV/Direct	Contract Value (C & C share-Rs. cr)
Transmission	Ex-works supply and services contract for tower package A4 under vendor development programme for transmission system associated with Pallatana GBPP Bongaigaon TPS in North Eastern region	Power Grid Corporation of India Limited	Direct	34
	400 KV DC Aligarh Sikandarabad transmission line and LILO of 400 KV SC Panki Muradnagar line at Aligarh substation	Isolux–Man JV	JV	24
	Turnkey tower package for transmission line at Shujalpur	Power Grid Corporation of India Limited	Direct	19
Piling	Pile foundation package-P1 for fifteen river crossings (31 Locs) for Biswanath Chariyali–Tangla–Kokrajhar–Barbasia (Assam Border) section of ± 800 kV HVDC Bipole Biswanath Chariyali–Agra Transmission Line associated with North East–Northern/Western Interconnector–I Project	Power Grid Corporation of India Limited	JV	33
	Pile foundation package-P2 for (31 Locs) 400kV D/C (Quad) Balipara–Bongaigaon T/L associated with North East–Northern/Western Interconnector–I project	Power Grid Corporation of India Limited	JV	45
	Pile foundation package-P1 for (18 Locs) 400kV D/C (Lapwing) Lower Subansiri–Biswanath Chariyali T/L–I & II and 400 kV D/C (twin) Balipara–Biswanath Chariyali T/L associated with North East–Northern/ Western Interconnector-I Project	Power Grid Corporation of India Limited	JV	24

Business segment review – 5

WATER AND SEWERAGE

- Segment status within Company: Fifth-largest
- Portfolio: Water and sewerage services
- Number of ongoing projects as at 30 June 2011: 3
- Revenue, 2010-11: Rs. 15 cr
- Revenue growth, 2010-11: 91%
- Contribution to the total revenue in 2010-11: 1%
- Order book as on 30 June 2011: Rs. 114 cr

Overview

C&C Constructions' water and sewerage treatment division was established in response to the growing governmental need to deliver safe drinking water to fresh water-starved areas. This division undertakes projects comprising the turnkey implementation of rural, urban and industrial water supply projects from concept to commissioning, turnkey implementation of waste water collection systems for urban communities and industrial waste disposal, implementation of water treatment plants and sewerage.

Segment strategy

- Select projects which promise attractive cash flows
- Complete existing projects faster
- Bag more projects under assured funds from Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) schemes, JICA, ADB, IBRD and other government-funded projects
- Improve team co-ordination among senior staff, to on-site engineers and workers, increasing overall efficiency
- Undertake projects in new geographies like West Bengal, Uttar Pradesh and Maharashtra
- Focus on projects with superior returns on employed capital

Key strengths

Ability to handle diverse projects: The division manages diverse projects under one roof. It undertakes projects which involve urban and industrial water supply projects and sewage treatment plants.

Design capability: This division has Auto CAD facility at all its sites which helps control design in an effective way. This facility allows the unit to undertake required course correction during construction.

Presence across the entire value chain – EPC contracts: The segment not only creates and operates projects but also designs and engineers them. This presence across the entire value chain helps in scheduling and maintaining quality throughout the entire project stage without much external dependence.

Technology orientation: The segment is technology-oriented with the captive possession of state-of-the-art equipment, facilitating the creation of global standard projects.

Rich talent resource: The unit employs professionals (majority engineers) with rich talent and experience. This rich talent resource has undertaken complex projects delivered on schedule.

Timely completion: The division has reinforced its reputation for timely project completion through prudent asset management, competent project mapping and minimal equipment idling.

SEGMENT FINANCIAL SNAPSHOT (RS. IN CR)

	2006-07	2007-08	2008-09	2009-10	2010-11
Order book status (as on 30 June)	40	40	37	128	114
Turnover	-	-	2	8	15

Outlook

- Capture a growing market share over the foreseeable future
- Strengthen intellectual capital through qualified engineers and other professionals
- Acquire new technology and equipment

KEY PROJECTS UNDER EXECUTION (WATER AND SEWERAGE)

Project	Client	JV/Direct	Contract Value (C & C share-Rs. cr)
Providing sewerage system at Ludhiana under JNNURM	Punjab Water Supply & Sewerage Board	JV	77
Providing, laying, jointing, testing and commissioning sewers lines in Jabalpur, package WW/2 and WW/3	Ramky Infrastructure	JV	40
Extension and augmentation of sewerage system for Patiala town, Zone II Part II	Punjab Water Supply & Sewerage Board	JV	22

RISKS & REWARDS

At C&C Constructions, our risk management and control systems are designed to provide reasonable assurance that the Company's business objectives are achieved. A structured and consistent approach to risk management and internal control is undertaken by aligning strategy, policies, procedures, people and technology to manage the uncertainties that C&C Constructions faces.

Sectoral risks

Growth and demand are dependent on general economic conditions and a deceleration can adversely affect the Company's business and earnings.

Mitigation

Buoyant Indian macroeconomic conditions (GDP growth of 8.5% in 2010-11) encouraged the government to sustain economic reforms and increase infrastructure investments. The Indian infrastructure industry is the second-largest contributor to GDP growth. A targeted double-digit GDP growth by the end of the Twelfth Plan (projected infrastructure investment for the Twelfth Plan is estimated at USD 1 tn) period only suggests increased government spending on infrastructure. The Company diversified across verticals within the construction industry, reducing its excessive dependence on a single sector.

Strategy risks

Skewed business strategy may result in lost opportunities.

Mitigation

An average topline growth of 41% over the past five years depicts the Company's clear vision and mission. Annual business plans and the long-term business strategy are discussed thoroughly before vetting by the Board of Directors. Besides, mid-term reviews of the business strategy and the annual plans ensure that the Company initiates a mid-course correction should the situation so warrant. The long-term business strategy comprises:

- Fortifying the Company's presence in select verticals
- Diversifying presence in different sectors and geographies to reduce cyclical risks

Assets and inventory risks

Risk of accidents to the Company's sites and stocks could affect the Company's operations, affecting profitability. Similarly, machinery breakdowns will impact operations and profitability.

Mitigation

C&C Constructions' key corporate strength comprises the ownership of captive equipment with a gross block of Rs. 484 cr (as on 30 June 2011). The Company undertakes initiatives that enhance asset and inventory security through appropriate insurance policies to mitigate related risks. The Company undertakes preventive equipment maintenance.

Liquidity risks

To a large extent, cash flow is dependent on the credit terms extended to the clients and the effective recovery of the dues from them. Delays in the recovery of the dues have a direct impact on the liquidity position which will affect the Company's operations and earnings.

Mitigation

- The Company takes effective measures to collect dues from clients. The debtors' collection period reduced from 170 days in 2009-10 to 91 days in 2010-11, indicating enhanced collection efficiency and improved debtor credibility
- The Company follows up with government departments (the major debtors) and others to ensure a smooth flow of funds. Short-term gaps are bridged by additional working capital facilities from banks

Operational risks

Competence gaps might affect the Company's operations

Mitigation

- The Company provides adequate training to its staff on operating procedures and policies as well as honing of project management skills.
- It encourages staff to upgrade their skill sets and multi-tasking through job rotation.
- Its operating procedures for maintenance include preventive maintenance of all equipment according to a predefined schedule and adequate training for maintenance staff for compliance with operating procedures.
- Its projects are executed using standard quality certified equipment and materials benchmarked against global standards.
- Its crisis management teams were established at all project sites to manage any eventuality.
- Its project operating procedures institute the most effective accident prevention measures across all stages of the construction activity.

Inflation risks

Volatility in prices of inputs and/or changes in assumptions may cause cost overruns, affecting profitability. Besides, delay in completion of projects could result in liquidated damages and/or additional costs.

Risk mitigation

The Company's contracts have inbuilt escalation clauses which compensate an increase in input costs. In case of non-escalation contracts, the bid estimate process insulates any possible increase in the inputs. Further, the Company implemented adequate procurement procedures that include long-term contracts to cover price volatility, regular augmentation of storage facilities and a careful review and monitoring of the carrying cost of raw materials. Besides, we have a system of proper price estimate of contracts, which will minimise the impact of cost overrun. It undertakes adequate controls on daily management of project process and adequate monitoring controls of project execution for achieving set milestones and alerting the clients for delays. Sophisticated tools are used to control schedules.

RELIABILITY & RETURNS

Review of our key financial metrics

FINANCIAL SNAPSHOT			RS. IN CR
	2010-11	2009-10	Growth
Income from operations	1,290.27	1,168.45	10.43%
EBIDTA	232.79	218.54	6.52%
PAT	52.05	69.09	-24.67%
Cash profit	68.33	134.89	-49.34%
Earnings per share (Rs.)	22.25	35.67	-37.62%
ROCE (%)	15.21%	15.83%	-62 basis points
RONW (%)	9.05%	15.76%	-671 basis points
EBIDTA margin (%)	18.04%	18.70%	-66 basis points

Analysis of the profit and loss account

Income from operations: The Company's income from operations registered a growth of 10.43% from Rs. 1,168.45 cr in 2009-10 to Rs. 1,290.27 cr in 2010-11. The break-up of the revenue generated during the year is given below:

Expenses

The Company's total expenses, constituting operating and financial expenses, registered a growth of 14.76% from Rs. 1,022.86 cr in 2009-10 to Rs. 1,173.83 cr in 2010-11.

Operating expenses: The operating expenses of the firm registered a growth of 11.32% from Rs. 949.91 cr in 2009-10 to Rs. 1,057.48 cr in 2010-11. The increase in expenditure was on account of growth in the scale of operations.

Construction expenses: The construction expenses of the firm registered an 11.54% increase from Rs. 766.91cr in 2009-10 to Rs. 855.40 cr in 2010-11. The construction expenses comprised raw material and spares costs of Rs. 589.06 cr and project execution expenses at Rs. 266.34 cr.

Staff expenses: The Company's staff expenses increased from Rs. 122.32 cr in 2009-10 to Rs. 137.13 cr in 2010-11 registering a growth of Rs. 12.11%. Average number of employees during 2010-11 increased to 5,423 from 5,204 during 2009-10, a 4.2% increase in average employees.

General and administration expenses: These expenses comprise the general day-to-day expenses of the Company including travelling, rent, rates, bank charges, legal expenses and other professional charges. General and administration expenses rose by 7.04% from Rs. 60.68 cr in 2009-10 to Rs. 64.95 cr in 2010-11.

Financial expenses: The Company's financial expenses comprising interest on term loans and others increased from Rs. 72.94 cr in 2009-10 to Rs. 116.35 cr in 2010-11. The average debt cost of the firm stood at 13.85% in 2010-11 against 11.07% in 2009-10.

GEOGRAPHICAL BREAK-UP OF REVENUE (%)					
	Bihar	Punjab and Haryana	Overseas	Others	Total
2010-11	44.75	23.07	8.76	23.42	100.00
2009-10	48.84	29.17	7.28	14.71	100.00

VERTICAL WISE REVENUE (%)						
	Roads	Buildings	Railways	Water	Transmission	Total
2010-11	83.46	10.95	2.76	1.68	1.16	100.00
2009-10	90.96	7.06	1.07	0.24	0.67	100.00

(RS. IN CR)

Costs	2010-11	% of revenue	2009-10	% of revenue	Y-o-Y growth
Construction expenses	855.40	66.30%	766.91	65.64%	11.54%
Staff expenses	137.13	10.63%	122.32	10.47%	12.11%
General and administration expenses	64.95	5.03%	60.68	5.19%	7.04%
Total	1,057.48	81.96%	949.91	81.30%	11.32%

ANALYSIS OF THE BALANCE SHEET

Sources of fund

Capital employed: The total capital employed by the Company registered a growth of 28.81% from Rs. 1,236.69 cr in 2009-10 to Rs. 1,592.93 cr in 2010-11 following an increase in the reserves. The capital employed was divided between net worth (39.06%) and loan funds (60.94%).

Net worth: The Company's net worth comprised equity share capital and reserves. Reserves constituted 88.20% of the total shareholders' fund. Net worth increased from Rs. 527.56 cr in 2009-10 to Rs. 622.12 cr in 2010-11.

Share capital: The share capital of the Company stood at Rs. 73.39 cr comprising 23,389,260 equity shares of Rs. 10 each and 5,00,00,000 Compulsory Convertible Preference Share Capital of Rs. 10 each.

Reserves and surplus: The Company's reserves and surplus increased 8.84% from Rs. 504.17 cr in 2009-10 to Rs. 548.73 cr in 2010-11.

External funds: The external funds of the Company comprising secured loans increased 36.90% from Rs. 709.13 cr in 2009-10 to Rs. 970.81 cr in 2010-11.

Deferred tax liability: The deferred tax liability of the firm decreased from Rs. 36.97 cr in 2009-10 to Rs. 35.58 cr in 2010-11.

Application of funds

Gross block: The Company's gross block reflects its competitive edge in terms of scalability and technological capability. The Company's gross block decreased 2.96% from Rs. 498.32 cr in 2009-10 to Rs. 483.58 cr in 2010-11.

Depreciation: The depreciation of the Company increased from Rs. 124.60 cr in 2009-10 to Rs. 128.34 cr in 2010-11.

Investment: The Company's investments comprised investments in the equity shares of listed companies and its subsidiaries. Investments increased by 57.88% from Rs. 150.16 cr in 2009-10 to Rs. 237.08 cr in 2010-11. In the financial year under report, the Company invested a sum of Rs. 86.92 cr in its subsidiary and associate companies.

Net Working capital: Net working capital outlay marginally increased from Rs. 740.12 cr to Rs. 1,016.58 cr in 2010-11, registering a growth of 37.35%.

Inventory: Inventory increased from Rs. 868.44 cr in 2009-10 to Rs. 1074.41 cr in 2009-10, registering a growth of 23.72%. The increase was primarily on account of an increase in work-in-progress from Rs. 717.70 cr in 2009-10 to Rs. 776.76 cr in 2010-11. Inventory constituted 62.42% of the total current assets of the Company.

Debtors: Debtors constituted 18.74% of the total current assets of the Company. It increased from Rs. 156.06 cr in 2009-10 to Rs. 322.60 cr in 2010-11, registering an increase of 106.72%. All the Company's debtors are considered good.

Loans and advances: Loans and advances constituted 15.93% of the total current assets, declining from Rs. 286.26 cr in 2009-10 to Rs. 274.24 cr in 2010-11. This comprised advances to subsidiary companies, retention money, advance tax and others.

Cash-and-bank-balance: The Company's cash and bank balance reduced 35.04% from Rs. 76.99 cr in 2009-10 to Rs. 50.01 cr in 2010-11.

Current liabilities and provisions: The total current liabilities and provisions of the Company increased 8.81% from Rs. 647.62 cr to Rs. 704.67 cr. The Company's creditors decreased 10.87% from Rs. 360.18 cr in 2009-10 to 321.03 cr in 2010-11.

RATIO ANALYSIS

EBITDA
The EBITDA of the Company increased from Rs. 218.54 cr in 2009-10 to Rs. 232.79 cr in 2010-11, registering a growth of 6.52%. The EBITDA margin of the Company reduced 66 basis points from 18.70% to 18.04%.

Cash profit
The Company's cash profit reduced from Rs. 134.89 cr in 2009-10 to Rs. 68.33 cr in 2010-11. The cash profit margin also reduced from 11.54% to 5.29%. The Company's BOT (build-operate-transfer) projects are in various stages of completion and once executed, will enable it to strengthen cash flows, use the leverage to efficiently manage debt and grow overall profitability levels.

Return on average capital employed (ROCE)
The ROCE of the firm reduced from 15.83% in 2009-10 to 15.21% in 2010-11.

Return on average net worth (RONW)
The RONW of the firm reduced from 15.76% in 2009-10 to 9.05% in 2010-11.

Return on average net block (RONB)
The RONB indicates the management's ability to efficiently utilise the Company's assets and equipment to generate revenue. The Company's RONB reduced from 19.48% in 2009-10 to 13.73% in 2010-11.

Net working capital cycle
The net working capital cycle of the firm increased from 207 days in 2009-10 to 273 days in 2010-11.

Inventory cycle
The Company's inventory cycle increased from 271 days in 2009-10 to 304 days in 2010-11. This was on account of an increase in inventory by 23.72% which indicates that a huge amount of inventory is still unfinished, which is normal for the large scale and size of the Company's infrastructural operations.

This also ensures timely project completion with a continued thrust on execution and growth.

Debtors' cycle
The debtors' cycle of the firm indicates the ability of the firm to quickly sell finished goods and recover money so that new inventory can be bought from the amount. The cycle of the firm increased from 49 days in 2009-10 to 91 days in 2010-11.

Current ratio
The firm's current ratio increased from 2.14 in 2009-10 to 2.44 in 2010-11. This was on account of an increase in inventory.

Debt equity ratio
The Company's debt equity ratio increased from 1.34 in 2009-10 to 1.56 in 2010-11.

Interest coverage ratio
Interest coverage ratio decreased from 2.48 in 2009-10 to 1.72 in 2010-11 on account of 59.50% increase in interest expenses vs 10.31% increase in profit before interest and tax.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY

In 2010-11, the Indian economy grew at a healthy 8.5% in 2010-11 against 8% in 2009-10. Most of the sectors in the economy maintained a constant growth with the agricultural sector recording a robust 5.4% growth in 2010-11 against 0.4% in 2009-10.

Though the country's exports grew by 31.6% against a 22.6% growth in imports, the trade deficit expanded from USD 120.5 bn in 2009-10 to USD 132 bn as imports outpaced exports in absolute numbers. A similar trend in the coming years will result in the decline of trade deficit.

FII inflows in the economy grew from USD 13.7 bn to USD 36.7 bn as on 31st March 2011, marking an increased growth confidence in the country. Foreign exchange reserves also grew by USD 20 bn to reach about USD 305.49 bn (Source: Prime Minister's Economic Advisory Council, PMEAC).

INDIAN INFRASTRUCTURE OVERVIEW

The total infrastructure development investment in India increased 23% to reach Rs. 2,140 bn for 2011-12. The government introduced tax-free infrastructure bonds worth Rs. 300 cr as its step to prioritise the infrastructure sector in India. Further, it is expected that in the Twelfth Plan, the government will increase its allocation to the infrastructure segment to USD 1 tn.

INDUSTRY REVIEW

1. Roads

The National Highways (NH) constitutes only 1.7% of the total road network in India and carries about 40% of total road traffic. The Planning Commission provided an outlay of Rs. 106,659 cr for roads in the Eleventh Plan of which Rs. 27,500 cr is the outlay for 2011-12 as against Rs. 25,465 cr in 2010-11 and Rs. 18,632.75 cr in 2009-10.

In 2011-12, the road transport ministry plans to award projects covering 10,000 km of highways of which about 7,994 km will be on BOT (toll) mode, 1,000 km will be awarded on annuity and EPC and the remaining will be awarded by the state governments. (Source: Ministry of Roads, Transport and Highway)

THE GOVERNMENT OUTLAY FOR VARIOUS ROAD TRANSPORTAT SCHEMES FOR 2011-12 INCLUDES

Project	Budget outlay
5,926 km of NHs are to be improved along with construction/rehabilitation of 130 bridges and 10 bypasses	Rs. 19,600 cr
Special Accelerated Road Development Programme in the North Eastern region (SARDP-NE) for the widening 10,141 km of NHs and other roads in three phases ensuring connectivity of 88 district headquarters in the North Eastern region.	Rs. 1,600 cr
Development of 5,477 km roads under a special programme for the development of roads in Left Wing Extremism (LWE)	Rs. 1,200 cr
Improvement of 600 km of state roads in Odisha	Rs. 100 cr

Source: Ministry of Roads, Transport and Highway

Developing public-private partnership

In a drive to increase private players' investments in the sector, the government has taken up the policy initiative of providing capital grant of 40% of the project cost to

NATIONAL HIGHWAY AUTHORITY OF INDIA (NHAI) – FINANCIAL OUTLAYS AND TARGET FOR 2011-12

Programme	Estimated expenditure
NHDP Phase-I (widening to 4/6 lane including strengthening)	Rs. 847.53 cr
NHDP Phase-II (widening to 4/6 lane including strengthening)	Rs. 3,705.99 cr
NHDP Phase-III (widening to 4/6 lane including strengthening)	Rs. 27,468.46 cr
NHDP Phase-IV (widening and strengthening of two-lane with paved shoulder)	Rs. 5,672.00 cr
NHDP Phase-V (Six-laning of selected stretches on GQ and others)	Rs. 9,096.99 cr
NHDP Phase-VI (Development of expressways)	-
NHDP Phase-VII (ring roads, bypasses, grade separators, service roads, among others)	Rs. 464 cr
SARDP-NE	Rs. 1,516 cr
Liabilities on account of interest and repayment of loans/borrowings and payment of annuities	Rs. 3939.30 cr
Total	**Rs. 52,710.26 cr**

Source: Ministry of Roads, Transport and Highway enhance feasibility and offering a 100% tax exemption in any consecutive 10 years out of 20 years. Build, Operate & Transfer (BOT) project entrepreneurs are also allowed to collect and retain the amounts from tolls on selected stretches. The private sector is expected to contribute 44% of the total projected spend of US$ 100 bn on roads and highways over the Twelfth Five Year Plan period.

(Source: Ministry of Roads, Transport and Highway)

Government initiatives

- The government will bear the cost of the project feasibility study, land for the right of way and wayside amenities, shifting of utilities, environment clearance, cutting of trees, among others
- Foreign Direct Investment up to 100% in the road sector
- Duty-free import of high capacity and modern road construction equipment
- The government also announced an increase in the overseas borrowing amount of infrastructure sectors, from US$ 100 mn to US$ 500 mn

Source: IBEF

2. Railways

The Indian Railways covers a total route of 63,974 km which carries an average 2 mn tonnes of freight and 21 mn passengers daily. It is the third-largest in terms of network coverage, largest in terms of number of people employed (1.4 mn) and number of passengers carried. The number of passengers grew at a CAGR of 5.55% in the last five years from 6.35 bn in 2006-07 to 7.88 bn in 2010-11. The passenger earnings grew at a CAGR of 10.84 in the last five years to reach Rs. 2,600.79 mn in 2010-11.

The total annual outlay for the railways was estimated at Rs. 576.3 bn for 2011-12. This includes an allocation of Rs. 84.33 bn for construction of new lines, Rs. 54.18 bn for doubling projects, Rs. 27.76 bn for gauge conversion and Rs. 141.2 bn for acquisition of rolling stock. Moreover 1,000 km of route electrification, 200 rail overbridges and 325 rail under bridges/subways projects will be undertaken. Also in 2011-12, 107 new line surveys, four gauge conversion surveys and 16 doubling surveys would be conducted.

MAJOR INVESTMENTS IN KEY AREAS FOR INDIAN RAILWAYS

Area	2009-10 (actual)	2010-11 (revised estimates)	2011-12 (budget estimates)
Construction of new lines	36.44	49.9	84.33
Restoration of dismantled lines	0.46	0.55	0.50
Gauge conversion	35.80	25.52	27.76
Doubling lines	24.00	22.04	54.18
Rolling Stock	131.61	130.87	141.20
Road safety works-level crossings	3.58	7.01	8.00
Road safety works-road over/under bridges	5.41	9.99	12.00
Track renewals	41.05	46.05	49.64
Bridge works	3.70	3.29	3.30
Signaling and telecommunication works	10.55	9.15	11.01
Electrification projects	7.14	6.57	9.78
Dedicated Freight Corridor Corporation	2.81	2.57	9.65
Metropolitan transport projects	6.21	5.73	65.02
Others	87.96	83.91	99.93
Total	**396.72**	**403.15**	**576.30**

MAJOR DEVELOPMENTAL ACTIVITIES FOR INDIAN RAILWAYS

Area	2009-10 (achieved)	2010-11 (achieved)	2011-12 (target)
Electrification (Route kms)	1,117	1,000	1,000
Track renewals (track kms)	3,841	3,150	3,000
Construction of new lines (route kms)	258	700	1,300
Gauge conversion (route kms)	1,516	800	1,017
Rolling stock			
Diesel locos	258	250	300
Electric locos	240	265	280
EMU/MEMU coaches	733	905	825
Other coaches	2,761	2,795	2,961
Wagons	13,068	14,500	18,000

Public private partnership (PPP) initiatives
The private sector investments accounting for merely 0.65% in the Tenth Plan is expected to contribute about 4% in Eleventh Plan. As of June, 2010, only six PPP railways project with an investment of Rs. 14 bn was completed against a total of 139 projects involving an investment of Rs. 257 bn.

The government plans to further increase private investments through widening the scope in terms of work and opening up investments in areas like container train operations, development of freight terminals, investments in wagons, commercial development of railway land, development of Adarsh stations/multi-functional complexes, logistics parks and gauge conversion projects for port connectivity. According to India Infrastructure Research, PPP investments worth Rs. 142 bn are under the implementation stage. (Source: Indian Infrastructure magazine)

3. Real estate

According to a report by PwC and Urban Land Institute (ULI), India is the most viable investment destination in real estate with residential properties maintaining their growth momentum. The residential real estate segment alone accounts for about 5-6% of the country's GDP. Despite this, the country's housing shortage is estimated at 26.53 mn houses in the Eleventh Plan. Between April 2000 to January 2011, the housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes, among others attracted a cumulative foreign direct investment (FDI) worth USD 9,405 mn with USD 1,048 mn during April-January 2010-11 (Source: IBEF).

In the budget 2011-12, the government increased allocation to urban development by 75% from Rs. 30.6 bn to Rs. 54 bn, allocation to Housing and Urban Poverty Alleviation from Rs. 8.5 bn to Rs. 10 bn, allocation to Indira Awas Yojna to Rs. 100 bn and to Rajiv Awas Yojna to Rs. 12.7 bn from Rs. 1.5 bn.

Demand in various real estate segments:

- **Residential segment –** The Indian urban population is estimated to reach 590 mn by 2030 and a working age population of 918 mn by 2025 (Source: IBEF) It is estimated that the pan-India cumulative residential demand is expected to grow at a CAGR of 20% to reach 3.67 mn units in 2014. Also, if the backlog of houses is maintained, a minimum of 30 mn households will be required by 2020 (Source: Economic Times)

- **Commercial segment –** The shifting of business activity from the central business district (CBD) to the special business district (SBD), from Tier-I to Tier-II cities, growth in multinational companies for services sectors and liberalisation of FDI norms significantly increased demand for commercial real estate properties. It is expected that the demand for commercial office space in seven major cities across India will be around 160 mn sq. ft by 2014. (Source: Economic Times)

- **Retail segment –** The organised retail segment's contribution increased from a mere 2% in 2003 to about 5% in 2009. With the growing domestic retail industry and entry of international retail players, the demand for mall space in India is expected to reach 55.26 mn sq. ft by 2014 and retail space demand is expected to be 106 mn sq. ft in the next five years. (Source: Cushman & Wakefield Research)

- **Hospitality space –** The travel and tourism demand in India grew at 11.8% between 2005 and 2010. This growth momentum is expected to continue, leading to a significant demand-supply gap for hotel rooms with a demand of around 240,000 rooms and supply of around 100,000 rooms (Source: IBEF)

4. Core sector

Steel: The finished steel production (primary and secondary sources) in India witnessed a growth of 8.9% to reach 78 mn tonnes (mt) in 2010-11. India's steel consumption is likely to increase by 13.3% in 2011 to reach 68.7 mt. It is further expected to grow by 14.3% to 78.5 mt in 2012. India is expected to add mega integrated steel plants in the next five–seven years and in the next two years the country's steel-making capacity is expected to increase by 30 mt (Source: World Steel Association).

Aluminium: India's aluminium production reached 1.318 mt in 2010 and is expected to grow to 5 mt by 2015 and 10 mt by 2020. The primary aluminium consumption is forecast to grow 16% in 2011. India's per capita consumption of aluminium is only 1.3 kgs compared with 25 kgs in the US, 19 kgs in Japan and 10 kgs in Europe. India's aluminium consumption is likely to be catalysed by growth in automotive production at a CAGR of 12.4% in 2011-13 (Source: Business Standard). Growing demand for aluminium in the power, transportation and infrastructure sectors is likely to boost its popularity.

Copper: India has an estimated 1,394.43 mt of copper ore, containing 11.42 mt metal of which 4.38 mt constitutes reserves. Copper production in India reached 2.61 mt during April-December 2010. During 2009-10, India became a net copper exporter with imports of 2.19 mt of copper ore at an estimated cost of Rs. 189.67 bn. India has a very low per capita copper consumption of 0.5 kg compared with 10 kg in the US and 3.6 kg in China. Its production increased at a CAGR of 2% between 2006-07 and 2009-10. Moreover, copper consumption in the country is expected to increase from 610,000 tonnes currently to 2.4-3.6 mn by the end of the decade (Source: India infrastructure research).

Lead and zinc: India has estimated reserves of 522.58 mt of lead and zinc, with lead metal content being 7.21 mt and zinc metal content being 24.26 mt. In 2009-10, the country's lead production increased by 7% to reach 64,319 tonnes with a consumption of 201,500 tonnes, whereas during the period, zinc production increased 5.5% to 613,964 tonnes with a consumption of 5,34,000 tonnes. The lead and alloys exports and imports in 2009-10 stood at 55,154 tonnes and 247,338 tonnes respectively. The zinc and alloys exports and imports in 2009-10 stood at 179,159 tonnes and 144,446 tonnes respectively (Source: India infrastructure research).

Overall lead demand in India is rising by 10-12%, which is double the global rate, and the momentum is expected to continue in the coming years. It is expected that zinc demand in India is expected to grow by 12-15% with its production reaching 14 mt by 2020.

PROJECTED PRODUCTION LEVELS OF SELECTEDMINERALS

Sectors	2011-12 (projected)
Finished steel (mt)	80.23
Aluminium ('000 tonnes)	1,250.00
Copper cathode ('000 tonnes)	705.00
Primary zinc ('000 tonnes)	638.00
Primary lead ('000 tonnes)	95.00

5. Oil and gas

The Union Budget allocated a sum of Rs. 748.51 bn for the Ministry of Petroleum and Natural gas in 2010-11 which includes Rs. 482.93 bn for the exploration and production of crude oil and natural gas, Rs. 248.83 bn for refining and marketing petroleum products, Rs. 15.67 bn for petrochemicals and the rest for engineering. The total crude production in India increased from 33.69 mn tonnes (mt) in 2009-10 to 37.96 mt in 2010-11. Natural gas production increased from 47.51 bcm (bn cubic metres) in 2009-10 to 53.59 bcm in 2010-11. The domestic refining capacity in India increased by 19.46% in 2009-10 to 177.97 mt and is expected to reach 185.4 mt in 2010-11 and 238.96 mt by 2011-12.

The total transmission pipeline network in India is estimated at 20,462 km with 11,037 km covered by 28 product pipelines, 7,425 km by 17 crude pipelines and 2,000 km liquefied petroleum gas (LPG) pipelines. It is estimated that by 2014-15, the pipeline infrastructure is set to witness a significant growth with over 15,000 km of transmission pipelines being constructed. In the ninth round of New Exploration Licensing Policy (NELP) the ministry of petroleum received 74 bids for 34 blocks that are on offer. Of these, 41 bids were by private companies and 33 by public companies.

6. Power

Generation

The total power generating capacity in India reached 173.6 GW as on March 2011. During the Eleventh Plan (2007-12), the Ministry of Power targeted to add 52-55 GW with a year-to-date addition of 35 GW. The Ministry commissioned a record 12.1 GW of power in 2010-11 and synchronised 3.7 GW of projects against a target of 22 GW. In 2011-12, the Ministry targeted the commissioning of 28 GW. (Source: Motilal Oswal).

The Ministry of Power targets to increase its power capacity addition from 78,700 MW in the Eleventh Plan to 100,000 MW in the Twelfth Plan of which around 60% contribution will come from the private sectors (Source: Financial Express). The huge addition to power generation capacity in the coming years opens up huge opportunities for EPC contractors in the power segment.

POWER CAPACITY ADDITION IN FIVE YEAR PLANS

Five year plans	Power capacity addition target	Power capacity addition achieved
Eighth Plan	30,538 MW	16,423 MW
Ninth Plan (1997-02)	40,245 MW	19,015 MW
Tenth Plan (2002-07)	41,110 MW	20,950 MW
Eleventh Plan (2007-12)	78,700 MW	32,512 MW (April 2007-January 2011)
Twelfth Plan (2012-17)	100,000 MW	NA

Transmission and distribution (T&D)

The transmission substation size in India increased from 46,621 MVA during Sixth Plan to 316,112 MVA during Eleventh Plan. By 2012, power transmission lines are estimated to reach 293,372 ckm and sub-station capacity is estimated to increase by about 41% to 428,000 MVA to address capacity constraints (Source: IBEF). The state T&D utilities in the country lost a sum of Rs. 686 bn in 2010-11 on account of transmission and distribution losses which are likely to increase to Rs. 1,000 bn by FY13-14 (Source: Indian Electricity Conference, 2010).

To avoid these losses, the Ministry of Power expects to commission 90,000 ckm transmission lines with a target of 18,000 ckm each year with 1,54,000 MVA of total sub-station capacity to be added in the Twelfth Plan (2012-17). Some 27,350 MW of inter-regional transmission lines are planned to be added under the Twelfth Plan. Further, investment in the T&D sector is expected to increase from Rs. 4,270 bn in the Eleventh Plan to Rs. 6,400 bn in the Twelfth Plan (Source: CEA).

TRANSMISSION LINES (CKM)

Transmission lines	Tenth Plan	Eleventh Plan addition	Twelfth Plan (expected addition)
765 KV	2,184	5,428	25,000-30,000
HVDC, 500 KV	5,872	1,606	0
HVDC 800/600 KV	0	3,600	5,000
400 KV	75,722	49,278	50,000
220 KV	114,629	35,371	40,000
Total (ckm)	198,569	95,283	120,000–125,000

Source: CEA, Unicorn research

7. Water supply and environment

India constitutes 16% of the world's population but it has only 4% of the total available fresh water. Per capita water availability reduced significantly over the years from 5,200 cubic metres (cu. m) in 1951 to 1,600 cu. m in 2001 (considered a 'water stressed' condition). It is further expected to fall to 1,340 cu. m and 1,140 cu. m by 2025 and 2050 respectively. Also, the industrial use of water will rise from 30 bn cubic metres (bcm) to 120 bcm by 2025. Moreover, less than 26% of waste water is treated in India and about 30-40% of India's waste water is discharged without adequate treatment.

In 2010, India generated about 60 mn tonnes of municipal solid waste and 51,723.8 mn litres of liquid waste per day. This opens up tremendous opportunity for water supply, sanitation and waste management projects in India. By January 2011, 565 water supply, 70 solid waste management, 73 sewerage and 79 storm water drainage projects were approved by Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), whereas under the JNNURM scheme, 151 water supply, 42 solid waste management, 111 sewerage and 71 storm water drainage projects were approved. Water supply and sanitation projects approved under the JNNURM (as on December 2010)

WATER SUPPLY AND SANITATION PROJECTS APPROVED UNDER THE JNNURM (AS ON DECEMBER 2010)

Sector	No. of projects sanctioned	Sanctioned project cost (Rs. bn)
Water supply	151	1,957.00
Sewerage	111	1,483.41
Storm water drainage	71	847.11
Solid waste management	42	224.53
Total	**375**	**4,512.06**

Source: Indian Infrastructure Magazine

8. Irrigation

For 2011-12, the ministry of water resources proposed an annual outlay of Rs. 14,000 cr for Accelerated Irrigation Benefit Programme (AIBP) with a view to complete ongoing irrigation/multipurpose projects and creates an additional irrigation potential of 1.05 mn hectares for 15 major/medium projects. A sum of Rs. 500 cr was proposed for command area development and water management programme. The total outlay for various water schemes over the years is given in the table below:

Under the National Mission on Micro Irrigation (NMMI), a total area of 8.22 lakh ha was covered under irrigation. The outlay under this scheme increased from Rs. 1,000 cr in 2010- 11 to Rs. 1,150.00 cr in 2011-12.

(RS. CR)

Water scheme	2009-10 (Actual)	2010-11 (revised estimates)	2011-12 (budget estimate)
Major and medium irrigation	375.31	388.88	484.12
Minor irrigation	181.56	193.76	239.48
Flood control	252.62	300.38	316.36
AIBP and water resources programme	8,524.39	9,500.00	12,620.00

Segment-wise performance

The Company operates five business verticals comprising roads, buildings, railways, water and sewerage treatment and transmission. This diversified portfolio not only enables it to participate in a larger framework and hence maximise opportunity creation but also protect profitability in the event of sectoral slowdowns.

For a detailed insight into our various business segments and their prospects, please refer to the 'business segment review' detailed elsewhere in this report.

Financial and operational performance

C & C Construction's income from operations increased 10.43% to Rs 1,290.27 cr in 2010-11 from Rs 1,168.45 cr in 2009-10. The company's EBIDTA increased to Rs 232.79 cr from Rs 218.54 cr in 2009-10. The company's PAT decreased to Rs 52.05 cr from Rs 69.09 cr in 2009-10. The Company's ROCE reduced from 15.83% in 2009-10 to 15.21% in 2010-11, RONW reduced from 15.76% in 2009-10 to 9.05% in 2010-11.

Opportunities

- Presence in one of the fastest growing economies of the world with a population pool of over 1.1 billion
- Country marked by a strong 'infrastructural deficit' and growing urgent need to bridge the gap between demand and availability

- Continued Government focus on increasing investments into infrastructure asset creation as well as for ramping up existing infrastructure
- Increasing technological sophistication enhancing execution quality and speeding up the overall developmental cycle

Threats

- Competition from both unorganised and other organised players, leading to difficulties in improving market share.
- Volatile prices of key raw material resources
- Shortage of raw materials and other primary inputs (equipment and manpower)
- High interest costs dampening ability to mobilise low-cost funds
- Stringent regulatory norms regarding concerns over the environment

Risks and concerns

C & C Constructions follows a process of risk management that comprises risk identification, risk analysis and measurement followed by the design of suitable risk mitigation or management framework covering control activities/procedures. The key risks identified by the business and accompanied mitigation plans include the following: To review periodically the operating effectiveness of the internal controls, the company has an internal audit process, which is commensurate to the size and nature of the business. Corrective actions, wherever necessary, are taken to further strengthen the internal control mechanism.

Outlook

We have one of the most diversified business portfolios, which will help us in mitigating the risk of slowdown in any one particular segment. During the past years, we have executed various construction projects all over the country. The client list of the Company includes reputed organisations in public and private sectors. The Company has developed excellent engineering, planning and project execution skills during this period. It is well recognised for quality consciousness and timely completion of the projects without cost over-run. The track record of the Company and proven skills of its employees at various levels will be useful in further improving the performance of the Company in the years to come.

Internal control systems and their adequacy

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Checks and balances are in place and are reviewed at regular intervals to ensure that transactions are properly authorised and reported correctly.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes that its people are the key differentiators, especially in a knowledge-driven, competitive and global business environment. Adapting the work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental human resource processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshal are the cornerstones for an organisation's success.

As in the past, industrial relations continued to remain cordial in the Company. There was no strike or labour unrest during the period under review. During the year under review, the Company increased its employee strength by 367 members, both in technical and support functions.

Cautionary statement

The statements in the management discussion and analysis report describing the Company's objectives, plans, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable law and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances.

DIRECTORS' REPORT

Dear shareholders,

We are pleased to present the 15th annual report along with the audited accounts of your Company for the year ended 30 June, 2011, during which your Company was able to further strengthen all its businesses to emerge stronger than ever before.

FINANCIAL RESULTS

(RS. IN CR)

	2010-11	2009-10
Gross sales	1,290.27	1,168.45
Total income	1,294.39	1,175.91
Profit before interest, depreciation and taxation	**256.24**	**226.00**
Interest	116.35	72.94
Profit before depreciation and taxation	**139.89**	**153.06**
Depreciation	36.99	44.78
Net profit before taxation	**102.90**	**108.28**
Taxation	50.85	39.19
Net profit	**52.05**	**69.09**
Profit brought forward from last year	191.69	137.60
Profit available for appropriations	**243.74**	**206.69**
Appropriations		
Transfer to General Reserve	7.50	7.50
Dividend on equity shares	6.43	6.43
Dividend on Preference shares	0.005	0.00
Corporate dividend tax	1.05	1.07
Balance carried to balance sheet	228.75	191.69
Total	**243.74**	**206.69**
EPS (Rs.)	**22.25**	**35.67**

DIVIDEND

Subject to the shareholders' and other requisite approvals, your Directors recommend payment of a dividend of Rs 2.75 per equity share of Rs 10 each (27.5%) for the year ended 30 June, 2011 and at the rate of 0.01% (Rs 0.001 per share) on Compulsory Convertible Preference Shares (CCPS) of Rs. 10/- each for the financial year ended on June 30, 2011. The cash outflow on account of dividend on equity capital, preference capital and dividend tax was provided for Rs. 7.48 cr. However due to conversion of outstanding CCPS into equity shares on 20.10.2011, the additional amount of dividend outflow on 20,56,005 equity shares will be Rs. 5654013.75/- and additional dividend distribution tax on it will be Rs. 9,17,222/-

OPERATIONAL PERFORMANCE

You will be happy to note that your Company registered a growth in turnover of 10% from Rs 1,176 cr in 2009-10 to Rs 1,294 cr in 2010-11. Gross profit before interest, depreciation and taxation increased 13% from Rs 226 cr in 2009-10 to Rs 256 cr in 2010-11. After deducting an interest of Rs 116 cr, providing a depreciation of Rs 37 cr and income tax provision of Rs 51 cr, the operations resulted in a net profit of Rs 52 cr as against Rs 69 cr in 2009-10.

SHARE CAPITAL

Your Company increased its authorised share capital from Rs 30.00 cr as on 30 June 2010 to Rs 80.00 cr as on 30 June 2011. This is in line with growing operations necessitating the prospective need for infusion of fresh capital in the business.

During the year under review the Company issued 5,00,00,000 Compulsory Covertible Preference Shares (CCPS) of face value of Rs. 10/- each to IL&FS Trust Company Ltd. (acting as the sole trustee for India Venture Trust) amounting to Rs. 50.00 cr on a preferential placement basis. These CCPS were allotted on July, 15, 2010 and convertible within 18 months from the date of allotment.

Company allotted 20,56,005 equity shares upon conversion of these CCPS on 20.10.2011. These CCPS were converted @Rs. 243.19/- per equity shares, which is floor price determined as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

In pursuance of General Circular issued by Ministry of Corporate Affairs, granting general exemption under section 212(8) for attaching subsidiaries' financial statements, the Board of Directors of the Company had consented for not attaching the annual accounts of the subsidiaries. The annual accounts of the Subsidiary Companies and other related detailed information shall be made available to shareholders of the holding & subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection of shareholders in the head office of the holding company. A statement pursuant to Section 212 (8) of the Companies Act, 1956, containing the details of the subsidiaries of the Company forms part of the Annual Report. In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in associates and Accounting Standard AS-27 on Financial Reporting of Interest in Joint ventures, the audited Consolidated Financial Statements for the financial year ended 30 June, 2011 form part of the Annual Report and Accounts.

CASH FLOW ANALYSIS

In conformity with the provisions of Clause 32 of the Listing Agreement, the cash flow statement for the year ended 30 June, 2011 is included in the annual accounts.

DIRECTORS

Mr. Ramesh Chandra Rekhi, Mr. Tarlochan Singh and Mr. Gurjeet Singh Johar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Kanwal Monga, Mr. J. Ganguly, Gen. N. C. Vij have been appointed as Additional Directors in the Board. As per the provisions of Section 260 of the Companies Act, 1956, Additional Directors to holds office up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received notice in writing from a Member under Section 257 of the Act, in respect of Mr. Kanwal Monga, Mr. J. Ganguly, Gen. N. C. Vij proposing their appointment as Director of the Company.

AUDITORS AND AUDITORS' REPORT

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

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

DEPOSITS

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

THE DETAILS OF FOREIGN EXCHANGE EARNINGS:

	2010-11 (Rs.)	2009-10 (Rs.)
Overseas projects and others	1,12,67,21,918	93,98,96,009

THE DETAILS OF FOREIGN EXCHANGE OUTGO:

	2010-11 (Rs.)	2009-10 (Rs.)
Expenditure incurred on overseas contract	93,16,62,860	77,87,88,811
Traveling expenses, consultancy and others	42,95,609	44,16,451
	93,59,58,469	**78,32,05,262**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

In pursuance of Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate section on Corporate Governance has been incorporated in the annual report for the information of the shareholders. A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the said Clause 49 also forms a part of this annual report.

CORPORATE SOCIAL RESPONSIBILITY

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended 30 June, 2011, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 30 June 2011 and of the profit for the year ended on that date.
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The accounts for the year ended June 30, 2011 have been prepared on a going-concern basis.

ACKNOWLEDGEMENTS

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

By order of the Board

Gurjeet Singh Johar
Chairman
Date: 11 November, 2011
Place: Gurgaon

Annexure 'A'

Statement showing particulars of employees of the Company as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date and forming part of the Directors' report for the year ended 30 June, 2011

Sl. No.	Name	Age	Designation	Gross remuneration received (Rs.)	Qualification	Experience in years	Date of commencement of employment	Particulars of last employment	Nature of Duties	%age of equity shares held
(A)	Employed throughout the year and were in receipt of remuneration aggregating not less than Rs. 60 lacs per annum									
1.	Mr. Gurjeet Singh Johar	62	Chairman	1,82,79,600	B.Com., F.C.A.	36	6 March, 1997	G. S. Johar & Co., Partner	Finance, Strategic Planning & Conceptualisation of all new project initiatives	0.43
2.	Mr. Charanbir Singh Sethi	53	Managing Director	1,82,79,600	B. Com	31	1 June, 2001	Oriental Structural Engineering Ltd	Construction Activities & Operations in Punjab, Himachal Pradesh & Afghanistan	10.20
3.	Mr. Rajbir Singh	55	Whole-time Director	1,82,88,960	B.A.(Economics)	33	6 March, 1997	Indian Army	Transmission & Quarrying	11.08
4	Mr. Sanjay Gupta	52	Whole-time Director	1,82,88,960	B.E. (Civil)	29	4 August, 2003	Oriental Structural Engineering Ltd	Operations in Delhi & Afghanistan	1.98
5.	Mr. Amrit Pal Singh Chadha	49	Whole-time Director	1,82,88,960	M.Com	24	16 July,1996	Oriental Structural Engineering Ltd	Operations in Bihar	9.67
6.	Mr. Rajendra Mohan Aggarwal	67	Whole-time Director	1,82,88,960	B.E. (Civil), Post Graduate Diploma in Management	44	1 June, 2001	Oriental Structural Engineering Ltd	Technical & Tendering Process	1.58
7.	Mr. Tapash K. Majumdar	53	Chief Financial Officer	1,20,54,600	B.A. (Hons.) (Eco.), F.C.A.	26	9 November, 2006	Cornerstone Securities Ltd.	Financial Affairs	0.00

Note: Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi and Mr. Rajbir Singh are related to each other. The nature of employment is contractual

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

The Company believes that good governance generates goodwill among business partners, customers and investors, earns respect from society, brings about a consistent sustainable growth for the Company and generates competitive returns for the investors. Your Company is committed to the principles of good governance.

2. BOARD OF DIRECTORS:

The business of the Company is managed by the Board of Directors. The C&C's Board is a balanced Board comprising of Executive & Non- Executive Directors.

As at 30th June, 2011, the Board comprised of 14 Directors, out of which 7 were Independent Directors.

During the year under review the Composition and category of Directors was as follows:

2.1 Composition and category of Directors

Category	Name of Directors
Promoter and Executive Directors (Liable to retire by rotation)	1. Mr. Gurjeet Singh Johar 2. Mr. Charanbir Singh Sethi 3. Mr. Rajbir Singh 4. Mr. Sanjay Gupta 5. Mr. Amrit Pal Singh Chadha
Non-promoter and Executive Director (Liable to retire by rotation)	Mr. Rajendra Mohan Aggarwal
Independent Directors (Liable to retire by rotation)	1. Mr. Deepak Dasgupta 2. Mr. Anand Bordia 3. Mr. Kanwal Monga* 4. Mr. Ramesh Chandra Rekhi 5. Mr. Tarlochan Singh 6. Lt. Gen. H. S. Kanwar** 7. Mr. J. Ganguly*** 8. Gen. N. C. Vij***
Nominee Director of India Venture Trust	Mr. Arun Kumar Purwar

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

None of the Directors of the Company are related to each other except Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi and Mr. Rajbir Singh.

* Resigned w.e.f 14th July, 2010 and again appointed as an Additional Director on 8th February, 2011.
** Resigned w.e.f 9th November, 2010.
*** Appointed as an Additional Director on 8th February, 2011.

2.2 Board meetings

During the year, five Board meetings were held on 15th July, 2010, 27th August, 2010, 10th November, 2010, 8th February, 2011, and 10th May, 2011.

The attendance of each Director at the Board meetings and at the last Annual General Meeting as well as the number of directorships and chairmanships/committee memberships of each Director in public limited companies other than in C & C Constructions Ltd, are furnished hereunder:

Name of Directors	Board meetings attended	Last Annual General Meeting attended	Directorships held in other companies		Committee membership held in other companies	
			As Director	As Chairman	As member	As Chairman
Mr. Gurjeet Singh Johar	5	Yes	13	None	5	5
Mr. Charanbir Singh Sethi	5	No	7	None	3	None
Mr. Rajbir Singh	5	Yes	5	None	1	None
Mr. Sanjay Gupta	4	Yes	7	None	4	None
Mr. Amrit Pal Singh Chadha	4	Yes	7	None	1	None
Mr. Rajendra Mohan Aggarwal	5	Yes	None	None	None	None
Mr. Deepak Dasgupta	5	No	4	2	3	1
Mr. Anand Bordia	4	No	3	None	2	None
Mr. Kanwal Monga*	1	No	2	None	1	None
Mr. Ramesh Chandra Rekhi	5	No	None	None	None	None
Mr. Tarlochan Singh	5	Yes	None	None	None	None
Lt. Gen. H. S. Kanwar **	2	No	None	None	None	None
Mr. J. Ganguly***	1	No	None	None	None	None
Gen. N. C. Vij***	1	No	None	None	None	None
Mr. Arun Kumar Purwar@	4	No	9	2	4	2

Note: Only Memberships/Chairmanships of Audit and Investors Grievance Committee of Directors have been considered.
* Resigned w.e.f 14th July, 2010 and again appointed as an Additional Director on 8th February, 2011.
** Resigned w.e.f 9th November, 2010.
*** Appointed as an Additional Director on 8th February, 2011.
@ Appointed as an Additional Director on 15th July, 2010.

3. AUDIT COMMITTEE

During the year, the Audit Committee comprised Two Independent Directors and One Non-Executive Director and one Executive Director. The members of the committee are well versed in matters relating to finance, accounts and general management practices. The committee was constituted with following terms of reference

a) Overseeing the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
   i) Any changes in accounting policies and practices
   ii) Major accounting entries based on exercise of judgment by management
   iii) Qualifications in draft audit report
   iv) Significant adjustments arising out of audit
   v) The going concern assumption
   vi) Compliance with accounting standards
   vii) Compliance with stock exchanges and legal requirements concerning financial statements

d) Any related party transactions i.e. transactions of the Company of material nature, with the promoters or the management and their subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large.

e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.

f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

g) Discussing with internal auditors any significant findings and follow up there on.

h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

i) Discussing with external auditors, before the audit commences, on the nature and scope of audit and after the audit to ascertain any area of concern.

j) Reviewing the Company's financial and risk management policies.

k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

l) To monitor the utilisation of funds to be raised pursuant to issue.

During the year under review four meetings of the Audit Committtee were held. The constitution of the Audit Committee and details of meetings held during the year are as follows:

Name of Directors	Category	No. of meetings Attended
Mr. Anand Bordia	Non-Executive and Independent Director (Chairman)	4
Mr. Kanwal Monga*	Non-Executive and Independent Director	0
Mr. Ramesh Chandra Rekhi	Non-Executive and Independent Director	4
Mr. Gurjeet Singh Johar	Executive Director	4
Mr. Arun Kumar Purwar**	Non-Executive Director	3

* Resigned from the directorship of the Company on 14 July, 2010.
** Inducted in the Committee on 27.08.2010

4. REMUNERATION COMMITTEE

During the year under review the Remuneration Committee was re-constituted in view of resignation of Lt. Gen. Harbans Singh Kanwar. The Committee consists of Mr. Deepak Dasgupta, Mr. Anand Bordia, Mr. Arun Kumar Purwar and Mr. Gurjeet Singh Johar. One Meeting on 27.08.2010 was held during the year which was attended by the then Committee members i.e. Mr. Deepak Dasgupta, Mr. Anand Bordia and Lt. Gen. Harbans Singh Kanwar.

The Remuneration Committee of the Board recommends the remuneration of the Executive Directors. The remuneration package is governed by the industry pattern and as per the provisions of the Companies Act, 1956. The sitting fee of Non-Executive Directors is approved at the Board meeting and is not paid to the Executive Directors for Board or committee meetings thereof. Necessary approvals were obtained from shareholders, wherever required.

The members at the Annual General Meeting of the Company held on 24th December, 2009, approved the payment of commission to Directors of the Company or some or any of the them (other than Executive Directors like the Managing Director and Whole-time Directors) within 1% of the net profits of the Company, as computed under the applicable provisions of the Companies Act, 1956, which was payable from financial year 2010-11 based on their attendance at the Board, Audit and Investors' Grievance Committee meetings.

The details of remuneration paid to all the Directors during the year ended on June 30, 2011, are as follows:

(Rs.)

Name of Directors	Service contract / notice period	Salary	Allowances	Sitting fee	Commission*
Mr. Gurjeet Singh Johar	Whole-time to retire by rotation	1,14,00,000	68,79,600	-	-
Mr. Charanbir Singh Sethi	Whole-time to retire by rotation	1,14,00,000	68,79,600	-	-
Mr. Rajbir Singh	Whole-time to retire by rotation	1,14,00,000	68,88,960	-	-
Mr. Sanjay Gupta	Whole-time to retire by rotation	1,14,00,000	68,88,960	-	-
Mr. Amrit Pal Singh Chadha	Whole-time to retire by rotation	1,14,00,000	68,88,960	-	-
Mr. Rajendra Mohan Aggarwal	Whole-time to retire by rotation	1,14,00,000	68,88,960	-	-
Mr. Deepak Dasgupta	Retire by rotation	-	-	1,80,000	14,00,000
Mr. Anand Bordia	Retire by rotation	-	-	2,90,000	10,00,000
Mr. Kanwal Monga	Retire by rotation	-	-	20,000	2,00,000
Mr. Ramesh Chandra Rekhi	Retire by rotation	-	-	1,80,000	18,00,000
Mr. Tarlochan Singh	Retire by rotation	-	-	1,80,000	14,00,000
Lt. Gen. H. S. Kanwar	Retire by rotation	-	-	40,000	8,00,000
Mr. Arun Kumar Purwar	Not liable to retire by rotation	-	-	-	-
Mr. J. Ganguly	Retire by rotation	-	-	20,000	-
Gen. N.C. Vij	Retire by rotation	-	-	20,000	-

* Paid for Board, Audit and Investors' Grievance Committee meetings held during the year 2009-2010.

5. INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors constituted a Shareholders/ Investors Grievance Committee inter-alia to look after share transfer, issue of duplicate share certificates redressal of shareholders' complaints relating to the non-receipt of refund orders/declared dividend and annual reports among others.

The terms of reference of the Committee are as follows:

i) To approve the share transfer, transmission, transposition.
ii) To approve the de-materialisation and re-materialisation of shares.
iii) To approve the split, consolidation, renewal of share certificates.
iv) To approve the issue of duplicate share certificates in lieu of lost, old, defaced, torn, destroyed share certificates.
v) To approve the issue of share certificates in any other case.
vi) To authorise any person for signing and sealing of share certificates.
vii) To authorise for endorsement on share certificates and signing the same.
viii) Any other matter as may be referred/delegated by the Board.

The Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Other disclosures relating to shareholders aspects are furnished in the shareholder information section of the annual report.

During the year under review four meetings of the Committtee were held. The constitution of the Shareholders' Grievance Committee and details of its meeting held during the year are as follows:

Name of Directors	Category	No. of meetings Attended
Mr. Deepak Dasgupta	Non-Executive and Independent Director (Chairman)	4
Mr. Tarlochan Singh	Non-Executive and Independent Director	4
Mr. Sanjay Gupta	Executive Director	3

Mr. Deepak Nathani, Company Secretary is the Compliance Officer.

Status of shareholders' complaints

Opening - 0
Total number of complaints received during the year ended June, 2011 - 6

Number of complaints that were resolved to the satisfaction of the Shareholders during the year ended June 2011 - 6

Number of pending Complaints - 0

In order to expedite the process of share transfer, among others, the committee constituted a sub-committee viz. the Share Transfer Committee, comprising the following members:

a) Mr. Gurjeet Singh Johar
b) Mr. Charanbir Singh Sethi
c) Mr. Sanjay Gupta

The terms of reference of the sub-committee includes the following:

i) To approve the share transfer, transmission, transposition.
ii) To approve the de-materialisation and re-materialisation of shares.
iii) To approve the split, consolidation, renewal of share certificates.
iv) To approve the issue of duplicate share certificates in lieu of lost, old, defaced, torn, destroyed share certificates.
v) To approve the issue of share certificates in any other cases.
vi) To authorise any person for signing and sealing of share certificates.
vii) To authorise for endorsement on share certificates and signing the same.
viii) Any other matter as may be referred/ delegated by the Committee.

6. OTHER COMMITTEES OF THE BOARD

a) Finance Committee

The Board of Directors of the Company constituted a Finance Committee for day-to-day operations of the Company. The terms of reference of the Committee are as under:

(i) To open and operate bank accounts.
(ii) To authorise change in signatories.
(iii) To give instructions relating to the transactions of the Company with the banks.
(iv) To give necessary instructions for closure of bank accounts.
(v) To issue/revalidate/cancel powers of attorney.
(vi) To authorise persons to act on behalf of the Company.
(vii) To invest the funds of the Company up to a limit of Rs. 100,00,00,000 in shares, debentures, mutual funds, FDRs and bonds of corporate bodies and government or semi-government agencies.
(viii) To borrow from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed the limit of Rs. 500 crores.

Here the term borrowing shall have the same meaning as assigned to it under Section 293(1)(d) of the Companies Act, 1956.

(ix) To avail other loans/borrowings, credit facilities (fund as well as non-fund based), financial assistance (other than those under Clause (viii) above) under lease/ hire purchase or any other similar arrangements, from banks/financial and other institutions provided that the total amount so borrowed shall not at any time exceed the limit of Rs. 4,000 crores.
(x) To accept the terms and conditions for availing the borrowings/financial assistance under Clause (viii) and (ix) above
(xi) To authorise execution of documents and affix the common seal of the Company, wherever necessary.
(xii) To request banks or financial institutions for disbursement of funds.
(xiii) To deal with matters of hire purchase among others from suppliers in addition to banks/ financial Institutions.
(xiv) To create security on the assets of the Company for availing of the above-mentioned facilities.
(xv) To do all acts, deeds and things, as may be required or considered necessary in connection with the above terms of reference and powers or incidental thereto.
(xvi) Any other related matters.

The members of the Committee are:

1. Mr. Gurjeet Singh Johar,
2. Mr. Charanbir Singh Sethi,
3. Mr. Rajbir Singh,
4. Mr. Sanjay Gupta,
5. Mr. Amrit Pal Singh Chadha
6. Mr. Anand Bordia

7. GENERAL BODY MEETINGS

I. Meeting details

The details of the last three Annual General Meetings of the shareholders are as under:

Date	Time	Location
29.10.2010	10.00 A. M.	Airforce Auditorium Subroto Park, New Delhi-110010
24.12.2009	10.00 A. M.	Airforce Auditorium Subroto Park, New Delhi-110010
27.12.2008	10.00 A. M.	Airforce Auditorium Subroto Park, New Delhi-110010

II. Special resolutions passed in the previous 3 AGMs

A) Annual General Meeting held on 29th October, 2010

- Resolutions for re-appointment of Mr. Gurjeet Singh Johar, Mr. Charanbir Singh Sethi, Mr. Rajbir Singh, Mr. Sanjay Gupta, Mr. Amrit Pal Singh Chadha and Mr. Rajendra Mohan Aggarwal.

B) Annual General Meeting held on 24th December, 2009

- Resolution for payment of commission to Directors other than Executive Directors,
- Resolution to issue shares through the QIP route etc,
- Resolution to issue convertible warrants to promoters/ entities of the promoter group.

III. Postal Ballot:

A) During the year under review, the Company passed following special resolutions vide postal ballot notice dated 31st May, 2010.

- Issue of Compulsory Convertible Preference Shares on preferential basis

Voting Pattern for the above resolution

Voting	No. of votes	% of total valid votes
Votes cast in favour of the resolution	1,45,79,230	100.00
Votes cast against the resolution	0	0.00
Total	1,45,79,230	100.00

Result: Passed with the requisite majority

- Alteration of Articles of Association by adoption of new set of Articles of Association of the Company

Voting Pattern for the above resolution

Voting	No. of votes	% of total valid votes
Votes cast in favour of the resolution	1,45,79,230	100.00
Votes cast against the resolution	0	0.00
Total	1,45,79,230	100.00

Result: Passed with the requisite majority

- To increase in the number of Directors of the Company from 12 to 14

Voting Pattern for the above resolution

Voting	No. of votes	% of total valid votes
Votes cast in favour of the resolution	1,45,79,208	99.99
Votes cast against the resolution	22	0.01
Total	1,45,79,230	100.00

Result: Passed with the requisite majority

The procedure for conducting postal ballot was carried pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution under Postal Ballot) Rules, 2001, as amended. M/s Santosh Kumar Pradhan, Practising Company Secretaries was appointed as Scrutinizer for the postal ballot voting process, who carried out the process in fair and transparent manner. The results were announced on 2nd July, 2010.

B) During the year under review, the Company passed following special resolution vide postal ballot notice dated 10th May, 2011.

- Resolution for appointment of Mr. Jaideep Singh Johar pursuant to provisions of Section 314(1) of the Companies Act, 1956.

Voting Pattern for the above resolution

Voting	No. of votes	% of total valid votes
Votes cast in favour of the resolution	1,63,71,005	99.999
Votes cast against the resolution	205	0.001
Total	1,63,71,210	100.00

Result: Passed with the requisite majority

8. DISCLOSURES

a) The Company does not have related party transactions, which may have potential conflict with the interest of the Company at large.

The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Schedule 18 Notes to Accounts)

b) The Company complied with the requirements of the stock exchanges/SEBI/statutory authorities on all matters related to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority relating to the above.

9. MEANS OF COMMUNICATION

Recommendation	Compliance
Quarterly results	Published in leading newspapers.
Which newspapers normally published in	Financial Express (All editions) Jansatta Hindi (Delhi edition)
Any Website, where displayed	www.candcinfrastructure.com
Whether it also displays official news releases and presentations made to institutional investors/ analysts	Yes
Whether management discussion and analysis is a part of the annual report	Yes
Whether shareholder information section forms part of the Annual report	Yes

10.GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting Date and Time Venue	15 December, 2011, 10.00 A.M. Air Force Auditorium, Subroto Park New Delhi-110010
2. Financial year	1July to 30 June
3. Financial calendar 2011-12	Results for 1st quarter ended 30 September, 2011- on or before 14 November, 2011 Results for 2nd quarter ended 31 December, 2011- on or before 14 February, 2012 Results for 3rd quarter ended 31st March, 2012 - on or before 15 May, 2012 Audited financial results for last quarter and year ended 30 June, 2012 - on or before 29th August, 2012
4. Book closure date	12 December, 2011 to 15 December, 2011 (both days inclusive)
5. Dividend payment date	Within 30 days from the date of AGM i.e. date of declaration of dividend
6. Listing of equity shares on stock exchanges at:	1. National Stock Exchange of India Ltd., Mumbai 2. Bombay Stock Exchange Ltd., Mumbai
7. Payment of annual listing fees to the stock exchanges	Listing fee has been paid to the stock exchanges.
8. Stock code	NSE Code - CANDC BSE Code – 532813
9. Market price data	Separately given
10. Demat ISIN numbers of equity shares in NSDL and CSDL	INE 874H01015
11. Registrar and Transfer Agent	BIGSHARE SERVICES PRIVATE LTD. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East) Mumbai- 400 072 Tel.: (022) 40430200 Fax: (022) 28475207 E-mail: info@bigshareonline.com Website: www.bigshareonline.com
12. Share transfer system	Share transfers are handled by M/s. Bigshare Services Pvt. Ltd. The share transfers in physical form are presently processed and the share certificates returned within a period of 30 days from the date of receipt, if the documents being valid and complete in all respects.
13. Distribution of shareholding as on 30 June, 2011	Separately given
14. Shareholding pattern as on 30 June, 2011	Separately given
15. Dematerialisation of shares and liquidity	The Company has entered into a tripartite agreement with NSDL and CDSL. Trading in the equity shares of the Company is permitted only in dematerialised form. 99.99% of the Company's share capital was dematerialised as on 30 June, 2011. The Company's shares are regularly traded on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.
16.Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	On 30th June, 2011, 5,00,00,000 Compulsory Convertible Preference Shares (CCPS) issued to IL&FS Trust Company Ltd. (acting as sole trustee for India Venture Trust) on preferential placement basis were outstanding for conversion. These CCPS were allotted on 15.07.2010 and convertible within 18 months from the date of allotment. Company allotted 20,56,005 equity shares on conversion of these CCPS on 20th October 2011. These CCPS were converted @Rs. 243.19 per equity shares, which is floor price determined as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
17. Site locations	**India** New Delhi, Greater Noida, Ropar, Nangal, Mohali, Pankula, Jabalpur, Zirakpur, Una, Jahu, Tepla, Patiala, Ludhiana, Nalagarh, Patna, Muzaffarpur, Darbhanga, Phulparas, Nawada, Giriyak, Khajuria, Kathua, Supaul, Kursela, Manikapur, Raniganj, Palwal, Kaman, Port Blair, Dhankota, Bumbloo, Shujalpur, Mohania, Bakhtiyarpur, Munger, Shilong, Aligarh, Dehri-On-Son. **Afghanistan** Kabul
18. Address for correspondence	70, Sector 32, Gurgaon – 122001, India.
19. Website	www.candcinfrastructure.com

DISTRIBUTION OF SHAREHOLDING AS ON 30 JUNE, 2011

No. of equity shares held	Shareholders		Equity share held	
	Number	% to total	Number	% to total
1-500	19,836	96.922	11,19,987	4.788
501-1000	291	1.422	2,27,815	0.974
1001-2000	153	0.748	2,36,970	1.013
2001-3000	55	0.269	1,37,459	0.588
3001-4000	25	0.122	9,05,333	0.387
4001-5000	14	0.068	66,719	0.285
5001-10000	29	0.142	2,20,136	0.941
10001 and above	63	0.308	2,12,89,641	91.023
Total	**20,466**	**100.000**	**2,33,89,260**	**100.000**

SHAREHOLDING PATTERN OF THE COMPANY AS ON 30 JUNE, 2011

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)=(VIII)/(IV)*100**
(A)	**Promoter & Promoter Group**							
1	**Indian**							
(a)	Individual / HUF	31	9586449	9586449	40.99	40.99	5977945	62.36
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	5417958	5417958	23.16	23.16	3603100	66.50
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	**34**	**15004407**	**15004407**	**64.15**	**64.15**	**9581045**	**63.85**
2	**Foreign**							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A) (2)	**34**	**15004407**	**15004407**	**64.15**	**64.15**	**9581045**	**63.85**

(B)	**Public shareholding**							
1	**Institutions**							
(a)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	2	311751	311751	1.33	1.33	0	0.00
(c)	Mutual Funds/ UTI	5	2245051	2245051	9.60	9.60	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	FII'S	6	1079980	1079980	4.62	4.62	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	**13**	**3636782**	**3636782**	**15.55**	**15.55**	**0**	**0.00**
2	**Non-institutions**							
(a)	Bodies Corporate	388	2004046	2004046	8.57	8.57	0	0.00
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	19622	1631199	1628939	6.97	6.97	0	0.00
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	18	600810	600810	2.57	2.57	0	0.00
(C)	Any Other							
(i)	Clearming members	101	49405	49405	0.21	0.21	0	0.00
(ii)	Directors/ Relatives	1	369158	369158	1.58	1.58	0	0.00
(iii)	Foreign Nationals	0	0	0	0.00	0.00	0	0.00
(a)	Non Resident Indians (NRIs)	0	0	0	0.00	0.00	0	0.00
(b)	Non Resident Indians (Repat)	289	93453	93453	0.40	0.40	0	0.00
(c)	Non Resident Indians (Non Repat)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	**20419**	**4748071**	**4745811**	**20.30**	**20.30**	**0**	**0.00**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**20432**	**8384853**	**8382593**	**35.85**	**35.85**	**0**	**0.00**
	Total (A) + (B) :	**20466**	**23389260**	**23387000**	**100.00**	**100.00**	**9581045**	**40.96**

(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1)	Promoters and Promoter Group	0	0	0	0.00	0.00	0	0.00
2)	Public	0	0	0	0.00	0.00	0	0.00
	SUB TOTAL (C)	0	0	0	0.00	0.00	0	0.00
	Grand Total (A) + (B) + (C)	**20466**	**23389260**	**23387000**	**100.00**	**100.00**	**9581045**	**40.96**

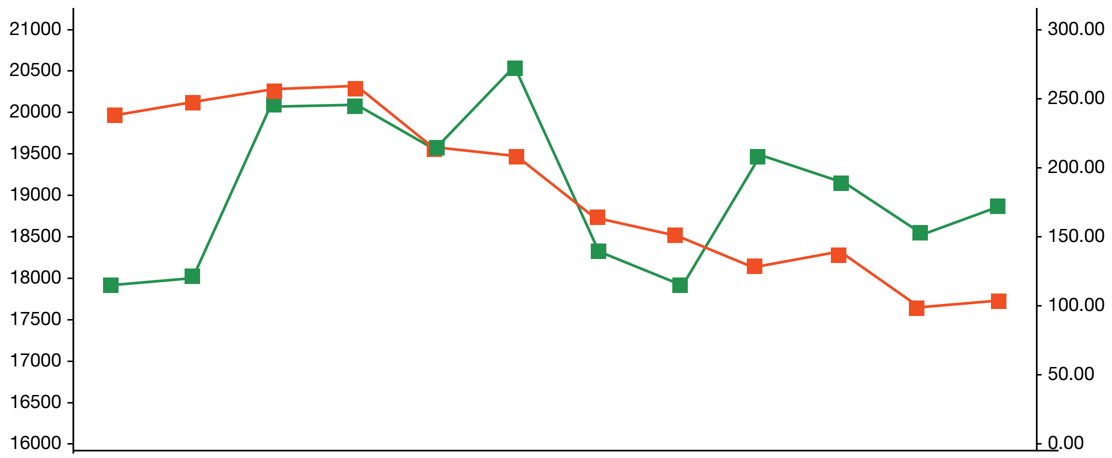
MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR

Month	National Stock Exchange of India Ltd. (Rs.)		Bombay Stock Exchange Ltd. (Rs.)	
	High	low	High	low
July, 2010	255.90	236.00	254.00	235.35
August, 2010	263.50	235.10	253.95	233.00
September, 2010	286.00	243.30	286.00	236.10
October, 2010	277.00	245.55	277.00	241.00
November, 2010	268.00	202.90	266.95	205.00
December, 2010	246.00	199.00	228.50	192.00
January, 2011	217.80	161.00	216.90	160.00
February, 2011	178.40	146.50	175.70	145.00
March, 2011	155.00	125.00	157.00	125.85
April, 2011	167.00	128.00	167.40	128.00
May, 2011	139.70	94.85	136.35	96.00
June, 2011	115.75	75.15	115.60	79.60

DISCLOSURE PURSUANT TO CLAUSE 5A(G) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES REGARDING THE SHARE LYING THE SUSPENSE ACCOUNT

Description	No. of shareholders	No. of shares.
Aggregate No. of shareholders & Shares lying in the suspence account as on 01/07/2010	11	400
No. of shareholders who approached for transfer of shares from suspense account during the year	1	20
No. of shareholders and shares transferred from suspense account during the year	1	20
No. of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. on 30/06/2011	10	380

PERFORMANCE OF THE COMPANY'S STOCK PRICE IN COMPARISION TO BSE SENSEX



	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Sensex Month Closing	17868.29	17971.12	20069.12	20032.34	19521.25	20509.09	18327.76	17823.40	19445.22	19135.96	18503.28	18845.87
C & C Share Price Month Closing (BSE)	240.55	245.20	255.10	256.50	210.80	207.25	162.95	149.90	126.80	135.90	96.95	101.75

AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 30 June, 2011.

For C & C Constructions Ltd

Gurjeet Singh Johar
Chairman

Date: 11 November, 2011

TO THE MEMBERS OF C & C CONSTRUCTIONS LTD.

We have examined the compliance of conditions of Corporate Governance by C & C Constructions Ltd for the year ended 30 June, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Company and presented to the Shareholder's/Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.S.G. & Associates
Chartered Accountants

Amar Jeet Singh
Partner
Membership No. : 089285

Camp: Gurgaon
Date: 11 November, 2011

AUDITORS' REPORT

TO THE MEMBERS,
C & C CONSTRUCTIONS LTD

1. We have audited the attached Balance Sheet of C&C Constructions Ltd as at June 30, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing and assurance standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. In accordance with the provisions of section 227 of the Companies Act 1956, we report that:

   As required by the Companies (Auditors Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs (4) and (5) of the said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a) We have 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 accounts as required by law have been kept by the Company so far as it appears from our examination of the books;

c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts;

d) In our opinion, the profit and loss account, balance sheet and cash flow statement of the company comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) On the basis of written representations received from the directors, as on 30th June 2011 and taken on record by the board, we report that none of the directors is disqualified for being appointed as director in terms of clause (g) sub-section (1) of section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of the balance sheet, of the state of affairs of the company as at 30th June 2011;

(ii) In the case of profit and loss account, of the profit of the company for the year ended on that date, and

(iii) In the case of the cash flow statement, of the cash flow for the year ended on that date.

For ASG & Associates
Chartered Accountants

Amar Jeet singh
Partner
Membership No. : 089285
Firm Registration No. : 000389N

Place: Gurgaon
Dated: 26th August, 2011

ANNEXURE REFERRED TO IN THE PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.

To The Members of C & C Constructions Limited on The Accounts for the Year ended 30th June 2011

(i) (a) In our opinion, the company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies with respect to book records were noticed on such verification.

(c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern status of the company.

(ii) (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.

(iii) (a) In our opinion and according to the explanations given to us, the Company has granted loans, secured or unsecured to Companies, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Number of such parties is four and amount outstanding as on 30.06.2011 is Rs. 303.46 lacs (maximum amount outstanding during the year is Rs.1208.82 lacs).

(b) The rate of interest and other terms and conditions of loans given by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company; and

(c) There is no stipulation with regard to repayment of principal amount and interest as the loans are repayable on demand; and

(d) Since the amounts are repayable on demand, there is no overdue amount with regard to recovery of the principal and interest;

(e) The company has taken loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956 . Number of such parties is one and the amount outstanding as on 30-06-2011 is Rs. NIL (maximum amount outstanding during the year is Rs. 35.26 crores).

(f) The rate of interest and other terms and conditions of loans taken by the company are prima facie not prejudicial to the interest of the company.

(g) Payment of the principal amount and interest are regular.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

(v) (a) In our opinion, the particulars of contracts or arrangement that need to be entered into the register maintained under section 301, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in the pursuance of such contracts or arrangements entered in the register maintained under Section 301of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable as compared to the prices of similar items supplied by other parties.

(vi) According to the information and explanations given to us, the company has not accepted any deposits from public.

(vii) In our opinion, the company has an adequate internal audit system commensurate with its size and the nature of its business.

(viii) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the services carried out by the company.

(ix) In respect of statutory dues:

(a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Education Cess, Secondary and Higher Education and other statutory dues have been generally deposited in time with the appropriate authorities though there have been delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 30th June 2011 for a period of more than six months from the date they became payable.

(b) According to information and explanation given to us, the particulars of dues outstanding of Sales Tax, Works Contract Tax, Trade Tax, Income Tax and other statutory dues as on 30th June 2011, which have not been deposited on account of disputes pending are as under:

Name of The Statute	Nature of The Disputed Dues	Amount (Rs. In Lacs)	Period To Which The Amount Relates	Forum Where Dispute Is Pending
U.P. Trade Tax Act	Demand against material purchased against 'C' form	35.26 (amount deposited Rs. 12.34 lacs)	2002-2003	Joint Commissioner (Appeals)-Noida, UP
U.P. Sales Tax Act	Demand against VAT Input claimed and others	47.78 (amount deposited Rs. 15.00 lacs	2009-2010	Addl. Commissioner –(Appeals) Commercial Tax,G.B.Nagar Noida.UP
Income Tax Act	Short deducted of TDS and Interest there on	57.44 (amount deposited Rs. 2.75 lacs	2007-2008	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act	Short deducted of TDS and Interest there on	20.70 (amount deposited Rs. 6.83 lacs	2008-2009	Commissioner of Income Tax (Appeals), New Delhi

(x) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year and in the financial year immediately preceding the financial year.

(xi) 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 any bank or financial institution as at the balance sheet date.

(xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that since the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, it is not required to maintain records in respect thereof.

(xiii) The company is not a chit fund / nidhi/ mutual benefit fund/society to which the provisions of special statue relating to chit fund are applicable. Accordingly paragraph (xiii) of the order is not applicable.

(xiv) According to the information and explanations given by the management, the company is not dealing or trading in shares, securities, debentures and other investments. The company has made only investments in equity shares and Govt. Securities. All Investments made by the Company have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by others from Banks or financial institutions are not prima facie prejudicial to the interests of the company.

(xvi)) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) Based on our examination of the balance sheet of the Company as at 30th June 2011, and information and explanations given to us, we report that funds raised on a short-term basis have not been used for long-term investment.

(xviii) The company has not made preferential allotment of equity shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.

(xix) According to the information and explanation given to us, there are no outstanding debentures whether redeemable or non redeemable at on 30th June, 2011.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For ASG & Associates
Chartered Accountants

Amar Jeet Singh
Partner
Membership No. : 089285
Firm Registration No. : 000389N

Place: Gurgaon
Dated: 26th August, 2011

BALANCE SHEET AS AT 30TH JUNE, 2011

	Schedules	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Equity Share Capital	1	233,892,600	233,892,600
Compulsory Convertible Preference Share Capital		500,000,000	-
Reserves and Surplus	2	5,487,330,062	5,041,672,097
LOAN FUNDS			
Secured Loans	3	9,708,093,487	7,091,349,161
Deferred Tax Liability (Net)	12	355,825,649	369,680,649
		16,285,141,798	**12,736,594,507**
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	4,835,847,770	4,983,222,581
Less: Depreciation		1,283,387,045	1,246,019,041
Net Block		3,552,460,725	3,737,203,540
Capital Work-in-progess		196,111,222	96,524,930
		3,748,571,947	**3,833,728,470**
INVESTMENTS	5	2,370,781,674	1,501,622,484
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	10,744,068,748	8,684,393,821
Sundry Debtors	7	3,225,959,539	1,560,556,984
Cash and Bank Balances	8	500,088,982	769,868,415
Loans and Advances	9	2,742,392,450	2,862,618,097
		17,212,509,719	**13,877,437,317**
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	6,805,217,127	6,292,476,926
Provisions	11	241,504,415	183,716,838
		7,046,721,542	**6,476,193,764**
NET CURRENT ASSETS		**10,165,788,177**	**7,401,243,553**
		16,285,141,798	**12,736,594,507**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

	Schedules	2010-2011 (Rs.)	2009-2010 (Rs.)
INCOME			
Work Executed		12,902,687,965	11,684,481,661
Other Income	13	41,222,830	74,663,465
		12,943,910,795	**11,759,145,126**
EXPENDITURE			
Construction Expenses	14	8,553,977,936	7,669,148,952
Staff Expenses	15	1,371,323,431	1,223,170,454
General and Administration Expenses	16	649,507,223	606,791,199
Interest	17	1,163,501,092	729,445,926
Depreciation	4	369,934,617	447,795,353
		12,108,244,299	**10,676,351,884**
Profit before exceptional items		**835,666,496**	**1,082,793,242**
- Exceptional items (Depreciation written back) (See Note No.-18)		193,279,178	-
Profit after exceptional items but before Tax		**1,028,945,674**	**1,082,793,242**
Tax Expenses			
-Current Tax		480,029,864	181,647,261
-Deferred Tax		(13,855,000)	210,286,368
-Tax Adjustments of earlier years		42,299,884	-
Profit after Tax		**520,470,926**	**690,859,613**
Add: Profit brought forward		1,916,890,760	1,376,034,437
Profit available for Appropriation		**2,437,361,686**	**2,066,894,050**
Appropriations			
Proposed Dividend- Preference Shares		50,000	-
Proposed Dividend- Equity Shares		64,320,465	64,320,465
Dividend distribution tax		10,442,500	10,682,825
Transfer to General Reserve		75,000,000	75,000,000
Balance Carried to Balance Sheet		2,287,548,721	1,916,890,760
		2,437,361,686	**2,066,894,050**
Earning per share (face value of Rs.10/- each) (EPS)			
-Basic		22.25	35.67
-Diluted		20.83	35.67
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18		

The schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

SCHEDULES TO THE BALANCE SHEET AS AT 30TH JUNE, 2011

1. SHARE CAPITAL

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
AUTHORISED		
3,00,00,000 (29,800,000) Equity Shares of Rs. 10/- each	300,000,000	298,000,000
5,00,00,000 (2,00,000) Preference Shares of Rs. 10/- each	500,000,000	2,000,000
	800,000,000	**300,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
2,33,89,260 (23389260)Equity Shares of Rs. 10/- each fully paid up*	233,892,600	233,892,600
5,00,00,000 (Nil) Compulsory Convertible Preference Shares of Rs. 10/- Each fully paid up	500,000,000	
	733,892,600	**233,892,600**

* of the above

(i) 62,300 (62,300) equity shares of Rs. 10 each were issued as fully paid up shares pursuant to contracts for consideration other than cash

(ii) 1,00,69,394 (1,00,69,394) equity shares of Rs. 10 each were alloted as fully paid up Bonus shares by capitalisation of Reserve

2. RESERVES & SURPLUS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Foreign Project Reserve Account	-	10,540,851
Less - Transfer to General Reserve	-	10,540,851
Share Premium Account		
As at the commencement of year	2,605,353,339	1,420,627,028
Add: Addition during the year	-	1,217,408,412
Less: Share issue expenses	-	32,682,101
	2,605,353,339	**2,605,353,339**
General Reserve		
At the commencement of the year	519,428,002	433,887,151
Add: Transfer from Profit & Loss Account	75,000,000	75,000,000
Add: Transfer from Foreign Project Reserve Account	**-**	**10,540,851**
	594,428,002	**519,428,002**
Profit & Loss Account		
At the commencement of the year	1,916,890,760	1,376,034,437
Add: Addition for the Year	445,657,961	615,856,323
Less - Transfer to General Reserve	75,000,000	75,000,000
	2,287,548,721	**1,916,890,760**
	5,487,330,062	**5,041,672,097**

3. SECURED LOANS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
From Banks		
Working Capital Borrowings	6,835,168,034	4,308,999,068
Term Loans	206,166,473	332,178,315
From Others		
Term Loans	2,321,637,066	1,844,133,583
Hire Purchase Finance	345,121,914	606,038,195
	9,708,093,487	**7,091,349,161**

Notes:

a) Working Capital Borrowings are secured by first charge over stocks, book debts and other current assets of the Company, second charge over fixed assets of the Company, corporate guarantee of associate company and personal guarantees of promoter directors.

b) Term Loans availed from working capital bankers are secured by first charge on fixed assets, second charge on the current assests of the Company and personal guarantees of Promoter directors. Term Loans/ Demand Loans from other institutions / banks are secured by second charge over fixed assets of the Company,subservient charge over entire assets of the Company, personal guarantees of promoter directors, Corporate guarantees of associate companies and pledge of some portion of shares in the Company held by individual/ corporate promoters.

c) Hire purchase finances are secured by hypothecation of specific assets procured under the respective hire purchase agreements and personal guarantees of promoter directors.

d) Term Loans include Rs. 6963.70 Lacs (Rs.110364.70 Lacs) falling due for payment within next 12 months.

e) Hire Purchase Finance includes Rs.1928.18 lacs (Rs.3149 lacs) falling due for payment within 12 months

4. FIXED ASSETS

		GROSS BLOCK				DEPRECIATION				NET BLOCK		
Sr No	Items	1st July 2010	Addtions During the year	Adjustments During the year	Total 30th June. 2011	Upto 30th June. 2010	"Reversal of excess depreciation upto 30.06.10 (Note No.18)"	Current Year	Adjustments During the year	Total 30th June. 2011	Net Block 30th June 2011	Net Block 30th June 2010
A	**TANGIBLE ASSETS**											
1	LAND	41,570,598	-	-	41,570,598	-	-	-	-	-	41,570,598	41,570,598
2	BUILDING	165,352,770	7,057,877	-	172,410,647	7,729,576	-	2,733,703	-	10,463,279	161,947,368	157,623,194
3	TEMPARARY SHEDS	428,239,026	40,222,181	81,921,236	386,539,971	348,169,405	-	91,039,105	80,857,984	358,350,526	28,189,445	80,069,620
4	PLANT & MACHINERY	3,226,322,438	105,947,113	216,314,283	3,115,955,268	581,497,297	189,534,233	153,959,845	29,640,820	516,282,090	2,599,673,178	2,644,825,140
5	TIPPERS & TRACTORS	783,992,578	22,592,395	64,473,652	742,111,321	202,996,253	3,744,944	85,908,561	22,319,125	262,840,745	479,270,576	580,996,325
6	OFFICE EQUIPMENT	76,203,972	6,724,683	2,032,807	80,895,848	14,551,008	-	5,625,093	893,490	19,282,611	61,613,237	61,652,963
7	COMPUTER	50,583,739	4,262,869	2,739,038	52,107,570	22,905,369	-	8,211,770	2,607,325	28,509,814	23,597,756	27,678,370
8	FURNITURE & FIXTURE	49,611,434	2,901,439	1,900,332	50,612,542	18,664,139	-	3,883,712	1,400,986	21,146,865	29,465,677	30,947,296
9	VEHICLE	148,187,755	26,563,862	2,184,964	172,566,653	44,966,429	-	14,575,225	1,002,541	58,539,113	114,027,540	103,221,326
	Total :-	**4,970,064,310**	**216,272,420**	**371,566,310**	**4,814,770,418**	**1,241,479,477**	**193,279,178**	**365,937,013**	**138,722,271**	**1,275,415,042**	**3,539,355,376**	**3,728,584,832**
B	**INTAGIBLE ASSETS**	13,158,271	8,485,180	566,099	21,077,352	4,539,564	-	3,997,604	565,165	7,972,003	13,105,349	8,618,707
	Grand Total :-	**4,983,222,581**	**224,757,601**	**372,132,410**	**4,835,847,770**	**1,246,019,041**	**193,279,178**	**369,934,617**	**139,287,436**	**1,283,387,045**	**3,552,460,725**	**3,737,203,540**
	Previous Year	3,999,770,378	1,046,766,065	63,313,863	4,983,222,581	838,308,114	-	447,795,353	40,084,426	1,246,019,041	3,737,203,540	3,161,462,264
C	Capital work in progrss										**196,111,222**	**96,524,930**

Note: - Intangible assets comprise mainly Softwares, licences and cost incurred on implementation of oracle ERP system.

SCHEDULES TO THE BALANCE SHEET AS AT 30TH JUNE, 2011

5. INVESTMENTS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
LONG TERM INVESTMENTS		
Trade		
Quoted		
Investment in Equity Shares		
- 2170950 Equity shares of Jaypee Infratech Ltd. of Rs. 10/- each	206,175,814	206,175,814
Investment in Mutual Fund		
- 1500000 Units of SBI Mutual Fund of Rs. 10/- each	15,000,000	-
Unquoted		
Investment in Government and Trust Securities		
- National Saving Certificates	132,500	132,500
Other Investments		
- 245700 Equity Share of Mokama-Munger Highway Ltd. of Rs.10/- each	**23,400,000**	**10**
- 13000 Equity Share of North-Bihar Highway Ltd. of Rs.10/- each at cost	**130,000**	
- 13000 Equity Share of Patna Bakhtiyarpur Tollway Ltd. of Rs.10/- each at cost	**130,000**	
Share Application Money pending Allotment		
- Mokama-Munger Highway Ltd.	**130,000**	
- North-Bihar Highway Ltd.	259,970,000	
- SBI Mutual Fund	-	15,000,000
Non-Trade		
Unquoted		
Investment in Subsidiaries:		
- 56304422 (44687422) Equity Shares of C&C Projects Ltd. of Rs.10/- each at cost	563,044,220	446,874,220
-94968294 (78343994) Equity Shares of C&C Realtors Ltd. of Rs.10/- each at cost	949,682,940	783,439,940
Other Investments		
- 800000 Equity Shares of BSC-C&C JV Nepal Pvt. Ltd. of NRS*.100/- each at cost	50,000,000	50,000,000
Share Application Money pending Allotment		
- C&C Projects Ltd.	302,281,300	-
- C&C Realtors Ltd.	704,900	-
	2,370,781,674	**1,501,622,484**
Quoted Investment (at cost)	**221,175,814**	**206,175,814**
Unquoted Investment (at cost)	**2,149,605,860**	**1,295,446,670**
Market Value of Quoted Investment	**138,533,340**	**195,385,500**

*Nepalies Rupees

SCHEDULES TO THE BALANCE SHEET AS AT 30TH JUNE, 2011

6. INVENTORIES

		As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
As certified by the Management			
Raw materials*		2,650,878,387	1,136,020,408
Stores,Spares and Consumables*		294,743,411	325,634,003
Work-in-progress			
At estimated realisable value on sale	20,670,317,218		18,861,457,056
Less: Progress bills raised	12,902,687,965		11,684,481,661
Due from Customers		7,767,629,253	7,176,975,396
Material in Transit		30,817,697	45,764,014
		10,744,068,748	**8,684,393,821**

*Valued at cost or net realisable value whichever is lower

7. SUNDRY DEBTORS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Unsecured		
Debts outstanding for a period exceeding six months -		
-Considered good	154,290,828	17,197,777
Others - Considered good	3,071,668,711	1,543,359,207
	3,225,959,539	**1,560,556,984**

8. CASH AND BANK BALANCES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Cash in hand	13,303,287	9,999,824
Balances with scheduled banks		
- in Current Accounts	42,628,892	140,581,584
- in Fixed Deposit With Banks (Including Interest accrued thereon)*	444,152,674	617,334,861
Balance with non-scheduled banks		
- in Current Accounts	4,129	1,952,146
	500,088,982	**769,868,415**

*Under lien with banks towards margin Money

SCHEDULES TO THE BALANCE SHEET AS AT 30TH JUNE, 2011

9. LOANS AND ADVANCES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Unsecured, Considered Good		
Advances Recoverable in cash or kind or for value to be received	1,930,443,850	1,371,863,446
Retention Money Receivable	617,231,040	837,902,812
Security Deposits	49,547,385	46,888,549
Balances with Joint Ventures	-	398,995,752
Advance Tax (Net of Provisions)	138,564,990	206,356,945
Amounts Due from Subsidiary Companies	6,605,185	610,593
	2,742,392,450	**2,862,618,097**

10. CURRENT LIABILITIES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Sundry Creditors	2,285,727,437	2,214,849,733
Acceptances	924,616,569	1,386,975,013
Balance with Joint Ventures	406,486,324	-
Interest Accrued but not due	24,526,772	22,678,786
Mobilization and Material Advance from Employers	2,519,470,438	2,037,250,483
Other Liabilities	643,965,948	630,431,659
Unclaimed Dividends	423,639	291,252
	6,805,217,127	**6,292,476,926**

11. PROVISIONS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Proposed Dividend	64,370,465	64,320,465
Dividend Tax	10,442,500	10,682,825
Employee Retirement Benefits	166,359,219	108,458,153
Other Provision	332,231	255,395
	241,504,415	**183,716,838**

12. DEFERRED TAX LIABILITY (NET)

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Deferred Tax Liability		
Depreciation - Difference in Depreciation for Accounting and Tax purpose	411,610,102	409,491,369
Less: Deferred Tax Assets		
Employees' Retirement Benefits	55,784,453	30,513,700
Others	-	9,297,020
	355,825,649	**369,680,649**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

13. OTHER INCOME

	2010-2011 (Rs.)	2009-2010 (Rs.)
Dividend Income	1,628,213	-
Miscellaneous Income	39,594,617	74,663,465
	41,222,830	**74,663,465**

14. CONSTRUCTION EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Cost of Materials		
Raw Materials and Components	6,149,926,523	9,234,907,001
Stores,Spares and Consumables	1,815,304,082	1,560,929,514
	7,965,230,605	**10,795,836,515**
Add : Opening Stock		
Raw Materials and Components	1,136,020,408	1,007,299,396
Stores,Spares and Consumables	325,634,003	259,623,180
Work-in-Progress	7,176,975,396	2,141,141,833
Less: Closing Stock		
Raw Materials and Components	2,650,878,387	1,136,020,408
Stores,Spares and Consumables	294,743,411	325,634,003
Work-in-Progress	7,767,629,253	7,176,975,396
(A)	**5,890,609,361**	**5,565,271,117**
Project Execution Expenses		
Construction Expenses	1,565,404,116	1,061,040,477
Site Development Expenses	67,173,998	52,431,367
Hire Charges	356,372,058	411,980,951
Repair and Maintenance		
Plant & Machinery	554,209,262	458,953,873
Building	1,365,916	1,089,656
Vehicles	110,933,243	102,728,406
Others	7,909,982	15,653,105
(B)	**2,663,368,575**	**2,103,877,835**
(A+B)	**8,553,977,936**	**7,669,148,952**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

15. STAFF EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Salaries, Wages and Bonus	1,110,451,573	986,679,612
Contribution to and Provision for:		
Provident Fund	33,575,628	29,388,636
Gratutity	26,355,975	16,410,655
Leave Encashment	36,262,041	41,183,722
Staff Welfare	164,678,214	149,507,829
	1,371,323,431	**1,223,170,454**

16. GENERAL AND ADMINISTRATION EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Travelling and Conveyance	37,543,313	33,761,377
Printing and Stationery	15,048,435	17,443,168
Telephone & Communication	20,494,663	22,484,780
Electricity	18,199,519	16,419,871
Legal and Professional	96,793,662	124,475,672
Rent	25,595,744	20,523,829
Rates and Taxes	7,564,676	4,975,814
Insurance	58,767,830	58,936,675
Auditors Remuneration	4,428,778	3,625,994
Directors' Commission	8,000,000	6,600,000
Miscellaneous Expenses	173,228,888	124,606,151
Bank Guarantees Commission	94,393,287	102,055,803
Bank Commission & Financial Charges	89,448,428	70,882,065
	649,507,223	**606,791,199**

17. INTEREST

	2010-2011 (Rs.)	2009-2010 (Rs.)
Interest on Fixed Loans	310,012,127	313,846,904
Interest Others	899,260,367	457,968,277
	1,209,272,494	**771,815,181**
Less: Interest Income	45,771,402	42,369,255
	1,163,501,092	**729,445,926**

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and comply with the Accounting Standards and Generally Accepted Accounting Principles (GAAP) in India.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. FIXED ASSETS AND CAPITAL-WORK-IN-PROGRESS

Fixed assets are stated at cost, less accumulated depreciation up to the date of the balance sheet. Cost includes duties & taxes, inwards freight & incidental expenses related to acquisition and installation of the assets.Intangible assets comprise of licence fees, software and other implementation cost for software Oracle finance (ERP) acquired for in-house use.

Capital work-in-progress includes cost of fixed assets that are not yet ready for their intended use and advances paid to acquire fixed assets.

4. DEPRECIATION

a) Depreciation on the assets of the Company is charged on straight line method at the rates specified in Schedule XIV of Companies Act, 1956, on single shift basis, including those purchased under hire purchase agreements

(b) Depreciation for additions to / deductions from assets is calculated on prorate basis from / to the date of additions / deductions

(c) Software and implementation cost including users licence fees of the Enterprise Resource Planning System(ERP) and other application software costs are amortised over a period of Five years.

(d) Assets costing less than Rs. 5,000/- are depreciated at hundred percent in the year of purchase

Change in Depreciation Policy:

In respect of company's projects in Afghanistan, the company had been providing depreciation at higher rates than the rates prescribed in the Schedule XIV of the Companies Act, 1956 on plant & machineries and tippers and tractors, up to 30th June, 2010. The depreciation policy in respect of the said assets has been changed and aligned with the rates prescribed in the Schedule XIV of the Companies Act, 1956, with effect from 1st July, 2010 and depreciation has been provided accordingly in the Profit & Loss Account for the year.

5. INVESTMENTS

Investments are valued at cost of acquisition. No provision for diminution in value, if any, is made, if considered to be temporary in nature.

6. INVENTORIES

a) Raw Materials and Stores are valued at the lower of cost or net realisable value. The cost is arrived at by first-in-first out method except cost of spares which is valued at weighted average method.

b) Work-in-progress is valued at Net realisable value.

7. RETIREMENT BENEFITS TO EMPLOYEES

Defined contribution obligation: Company's contribution to provident fund and Employees State Insurance are defined contribution obligations which are charged to the Profit & Loss Account on accrual basis.

Defined benefit obligations: Gratuity and Earned Leaves are defined benefit obligations which are recognized on actuarial valuation basis.

8. REVENUE RECOGNITION

Revenue is recognised as follows:

i) Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client.

ii) Revenue from contracts executed in Joint Ventures (Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"), is recognised on the same basis as similar contracts independently executed by the Company.

iii) Small Insurance claims are accounted for on cash basis and major claims are accounted for as and when the same are lodged.

iv) All other expenses and income are accounted for on accrual basis.

9. BORROWING COSTS

Borrowing Cost that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such asset up to the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

10. TAXATION

a) Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961.

b) Deferred Tax is recognised subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be adjusted in future.

c) Provision for taxation has been made on the taxable income for the tax year ended 31st March, 2011. Further, provision for tax in respect of income accrued during the period from 1st April, 2011 to 30th June, 2011 has been made on the basis of provisions of Income Tax law and tax rates applicable to the relevant financial year.

11. FOREIGN CURRENCY TRANSACTIONS, FOREIGN OPERATIONS, AND FORWARD CONTRACTS

a) The reporting currency of the Joint Venture is Indian Rupee

b) Foreign operations of the Joint Venture have been classified as integral foreign operations and financial statement are translated as under at each balance sheet date:

i) Foreign currency monetary items are reported using the closing rate

ii) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

iii) Non – monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

iv) Revenue and Expenses are recognised at yearly average of exchange rates prevailing during the year. Exchange difference arising on translation is recognized as income or expenses of the period in which they arise

c) Monetary Assets and liabilities related to foreign currency transaction remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and unrealized gains or losses on exchange translation are recognized in the profit and loss account

12. ACCOUNTING OF JOINT VENTURES

Jointly Controlled Operations:

In respect of joint venture contracts in the nature of Jointly Controlled Operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial Statement.

13. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine,

a) The provision for impairment loss, if any, required or

b) The reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount,Recoverable amount is determined

a) in the case of an individual asset, at the higher of the net selling price and the value in use.

b) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

14. LEASES

i) Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost.

ii) Assets acquired on leases where a significant portion of the risk and reward of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & Loss account on accrual basis.

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation,if,

a) the company has a present obligation as a result of past event,

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated.

d) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received,

Contingent Liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, if the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

16. DERIVATIVE AND HEDGING INSTRUMENTS ACCOUNTING

In respect of derivative contracts, premium paid, gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

17. CALCULATION OF EARNING PER SHARE (EPS)

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity share-holders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity share-holders by the weighted average number of shares outstanding during the period added with the affect of all dilutive potential equity shares outstanding.

18. CASH & CASH EQUIVALENTS:

Cash and cash equivalents for the purpose of Cash flow Statement comprise cash in hand and cash at bank and include cheques in hand.

B. NOTES TO ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR:

A. In relation to the Company:

		As at June 30th, 2011 (Rs. Lacs)	As at June 30th, 2010 (Rs. Lacs)
a)	Claims against the Company not acknowledged as debts.	58.44	19.46
b)	Tax Liabilities that may arise in respect of matters in appeals (Amount Deposited Rs.36.93 lacs)	161.18	38.35
c)	Outstanding bank guarantees	35137.00	41874. 50
d)	Outstanding letters of credit	2506.32	5735.86

In case of following Special Purpose Companies (SPCs), the Company has guaranteed and undertaken to the lenders of these SPCs to cover the shortfall in repayment of the loan amount and payment of interest in case of termination of Concession Agreement due to any event of default during the currency of the loan.

- BSC-C&C Kurali Toll Road Ltd.
- C&C Towers Ltd.
- Mokama Munger Highway Ltd.
- North Bihar Highway Ltd.

B. In relation to Joint Ventures:

		As at June 30th, 2011 (Rs. Lacs)	As at June 30th, 2010 (Rs. Lacs)
a)	Claims against the JVs not acknowledged as debts (Company's share)	20.83	30.50
b)	Tax Liabilities that may arise in respect of matters in appeals (company's share) (Amount Deposited Rs.337.69 lacs-company's share)	720.76	288.42
c)	Outstanding bank guarantees given by the company's bankers (on behalf of Joint Venture's)	46754.00	26640.00
d)	Outstanding letters of credit given by the company's bankers (on behalf of Joint Venture's)	7311.80	5146.76

Capital Commitments

Estimated amount of Contracts (net of advances) remaining to be executed on Capital Account and not provided for **Rs 1676.88 Lacs (Rs.412.13 Lacs)**

Company's share of estimated amount of contracts (net of advances) remaining to be executed on Capital Account not provided for by Joint Ventures **Rs 1668.00 (Rs.78.00 lacs)** included in above.

2. The construction activities of the company are considered as a service activity covered under para 3(II)(C) of Part-II of Schedule VI of the Companies Act, 1956. Thus, particulars in respect of installed capacities, licensed capacities, production, stocks and sales of final products/services are not applicable.

3. Value of imported raw material, stores and spares consumed and the value of all indigenous raw materials, stores and spares similarly consumed and the percentage of each to the total consumption:

	2010-11		2009-10	
	Rs.	%	Rs.	%
Raw material, stores and spares				
- Imported	382,647,973	5.90%	702,232,718	6.62%
- Indigenous	6,098,615,245	94.10%	9,898,871,963	93,.38%
Total	**6,481,263,218**	**100%**	**10,601,104,680**	**100%**

4. EARNINGS IN FOREIGN CURRENCY

	2010-11 (Rs.)	2009-10 (Rs.)
Overseas Projects and others	1,126,721,918	939,896,009
	1,126,721,918	**939,896,009**

5. CIF VALUE OF IMPORTS

	2010-11 (Rs.)	2009-10 (Rs.)
Capital Expenditure at Overseas projects	6,602,490	8,414,226
Capital Expenditure in Indian Projects	25,112,275	316,243,537
Raw Material, Store & Spares at Overseas projects	852,745,909	1,000,545,470
Raw Material , Store & Spares in Indian Projects	49,298,756	80,177,241
	933,759,430	**1,405,380,474**

6. EXPENDITURE IN FOREIGN CURRENCY

	20010-11 (Rs.)	2009-10 (Rs.)
Expenditure incurred at Overseas Projects	931,662,860	778,788,811
Travelling Expenses, Consultancy and others	4,295,609	4,416,451
	935,958,469	**783,205,262**

7. (a) MANAGERIAL REMUNERATION

	2010-11 (Rs.)	2009-10 (Rs.)
Salaries and Perquisites	109,693,600	47,746,785
Contribution to Provident Fund	37,440	37,440
	109,731,040	**47,784,225**

(b) MANAGERIAL REMUNERATION AND COMPUTATION OF NET PROFIT UNDER SECTION 349 OF THE COMPANIES ACT, 1956

	20010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
Net Profit before Taxation	10,289.46	10,827.93
Add:		
Directors' remuneration charged to Profit & Loss Account	1,097.31	477.84
Commission payable to non-executive directors	80.00	66.00
Directors' sitting fees	9.30	8.15
Loss (Profit) on sale of Fixed Assets	(34.20)	(82.14)
Net Profit for the purpose of Section 198 of the Companies Act,1956	11,441.86	11,297.79
Maximum permissible remuneration to Whole Time Directors under Section 198 of the Companies Act,1956 @ 10% of profit computed above	1,144.19	1,129.78
Maximum payable as per Service agreements / Terms of appointment	1,097.31	477.84
Maximum permissible remuneration to non-executive directors under Section 198 of the Companies Act,1956 @ 1% of profit computed above	114.42	112.98
Maximum payable as decided by the Board of Directors	80.00	66.00

The above figure do not include contribution to gratuity fund and provision of compensated absence, since the same is provided for on actuarial valuation basis for the company on a whole.

8. AUDITOR'S REMUNERATION (*)

	20010-11 (Rs.)	2009-10 (Rs.)
Audit Fees	2,176,771	2,179,527
Tax Audit Fees	620,438	620,438
Others	1,631,569	826,029
	4,428,778	**3,625,994**
(*) including service tax		

9. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 7 (REVISED):

		2010-11 (Rs.)	2009-10 (Rs.)
i	Contract revenue recognised for the financial year	**12,902,687,965**	11,684,481,661
ii	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at end of the financial year for all contracts in progress as at that date	**20,670,317,218**	18,861,457,056
iii	Amount of Customers Advances outstanding for contracts in progress as at end of the financial year	**2,519,470,438**	2,037,250,483
iv	Amount of retentions due from customers for contracts in progress as at end of the financial year	**617,231,039**	837,902,812

10. The company operates in one business segment i.e. construction. Since the company is engaged in execution of work in different countries, primary segment reporting is performed based on geographical location of operations

	2011			
Segments	Indian (Rs.)	Overseas (Rs.)	Un-allocated (Rs.)	Total (Rs.)
Revenue				
Sales & Services	11,817,188,876	1,126,721,918	-	12,943,910,794
Total revenue	**11,817,188,876**	**1,126,721,918**	**-**	**12,943,910,794**
Segment Result	**2,360,071,901**	**413,662,289**	**-**	**2,773,734,190**
(Profit Before Interest & Tax)				
Unallocable Expenditure	-	-	581,287,424	581,287,424
Interest	-	-	-	1,163,501,092
Profit Before Taxation	-	-	-	1,028,945,674
-Current Tax	-	-	-	480,029,864
-Deferred Tax	-	-	-	(13,855,000)
Tax adjustment of earlier years				42,299,884
Profit After Taxation	-	-	-	**520,470,926**
Other Segment Information				
Segment Assets	19,295,707,936	1,665,373,728	-	20,961,081,664
Unallocable Assets	2,370,781,674	-	-	2,370,781,674
Total	**21,666,489,610**	**1,665,373,728**	**-**	**23,331,863,338**
Segment Liabilities	6,411,683,886	393,533,242	-	6,805,217,128
Unallocable Liabilities	10,304,447,744	975,807	-	10,305,423,551
Total	**16,716,131,630**	**393,533,243**	**-**	**17,110,640,679**
Capital Expenditure	322,587,273	1,756,620	-	324,343,893
(Including Capital Work-in-progress)				
Depreciation	343,593,235	26,341,382	-	369,934,617

11. DISCLOSURES OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS:

(i) Associate Companies

Jeet Properties (P) Ltd.
Bags Registry Services (P) Ltd.
Case Cold Roll Forming Limited
Case Components Limited
Case Component Industries Pvt. Limited
S.J. Leasing & Investment (P) Limited
Frontline Innovation (P) Ltd.
Tel Systems Ltd
J.D. Resort Pvt. Ltd
Sonar Infosys Ltd
Amaltas Consulting P Ltd
Pelican Educational Resources Ltd
Pelican Vocational Education P Ltd
FOS Laser SPA Pvt. Ltd
Grace Developer LLC
Frontier Services LLC
Kims Wardak Diagnostic Centre Pvt Ltd, Afghanistan
Mudit Cement Pvt. Ltd.
BSC-CandC-Kurali Toll Road Ltd,
BSC-CandC- JV Nepal (P) Ltd
C & C Corporate Services Ltd
Mokama – Munger Highway Ltd
North Bihar Highway Limited
Patna Bakhtiyarpur Tollway Limited
BSC-C&C (Oman) LLC
Fidere Investments Limited
Mainpuri Power Transmission Pvt. Ltd
Kinder Plume Education Pvt. Ltd
Arrow Distribution (Goa) Private Ltd
Ruhani Realtors Pvt Ltd
A Export Pvt Ltd
C&C Logistics Limited

(ii) Joint Ventures

BLA-CISC-C&C ‘JV’
BSC-C&C ‘JV’
C & C-SE “JV”

(iii) Subsidiary Companies

C and C Projects Ltd
C & C Realtors Ltd
C & C Towers Ltd (*)

(iv) Key Managerial Personnel Board of Directors

Mr. Gurjeet Singh Johar
Mr. Charanbir Singh Sethi
Mr. Rajbir Singh
Mr. Sanjay Gupta
Mr. Amrit Pal Singh Chadha
Mr. Rajendra Mohan Aggarwal

(v) Relatives of Key Managerial Personnel

C.S. Sethi (HUF)
Ms.Suneeta Singh Sethi
Ms.Sumeet Johar
Ms.Indrajit Kaur Chadha
Ms.Sukvinder Kaur
Mr. Jaideep Singh Johar
Gurjeet Singh johar (HUF)
Ms. Divya Johar
Ms. Simrita johar
Mr. Lakhbir Singh Sethi
Ms. Jessica Sethi
Mr. Jwala Prashad Gupta
Mr. Harvinder Pal Singh Chadha

(*) Stepdown Subsidiary Company

(vi) Summary of transactions during the year:

	Associate Companies (Rs.)	Joint Ventures (Rs.)	Key Managerial Personnel (Rs.)	Relatives of Key Managerial Personnel (Rs.)	Subsidiaries (Rs.)	Total (Rs.)
Income						
- Sales and Services	89,816,940	5,453,040,836	-	-	326,975,626	5,869,833,402
- Other income	-	13,549,313	-	-	-	13,549,313
Expenditure						
Material Purchase and Project Execution Expenses	64,757,045	3,775,493,865	-	-	-	3,840,250,910
- Salaries and wages	-	570,280,041	109,731,040	2,129,400	-	682,140,481
- General and Administration	116,837,210	232,426,515	-	900,000	-	350,163,725
expenses						
- Depreciation	-	167,296,899	-	-	-	167,296,899
Interest	-	99,844,580	-	-	-	99,844,580
Dividend paid	14,899,385	-	22,023,218	3,448,902	-	40,371,505
Purchase/(sale) of fixed assets	-	(41,802,868)	-	-	(172,527,147)	(214,330,015)
Investment as on 30.06.2011	73,660,000	-	-	-	1,512,727,160	1,586,387,160
Application Money for Equity share (pending allotment)	260,100,000	-	-	-	302,986,200	563,086,200
Balance outstanding at						
The year end:						
- Accounts receivable	148,664,482	-	-	-	-	148,664,482
- Advances recoverable	30,345,658	-	-	-	1,351	30,347,009
- Current liabilities	114,967,466	-	-	-	118,642,982	233,610,448
Guarantees provided						
- Bank Guarantee	-	4,675,400,000	-	-	-	4,675,400,000

Figures in joint ventures represent our share in Joint Venture as per proportionate consolidation method.

12. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT.

Loans and Advances in the nature of Loans given to Subsidiaries, Associates and others:

Name of the Company	Relationship	Amount Outstanding as at 30.06.2011 Rs. Lacs	Amount Outstanding as at 30.06.2010 Rs. Lacs	Maximum balance outstanding during the year Rs. Lacs	Investment In Shares of the Company as at 30.06.2011 No. of Shares
Case Components Ltd	Associate	217.04	-	1000.00	-
Mudit Cement Pvt Limited	Associate	86.42	-	202.71	-
C AND C Projects Limited	Subsidiaries	-	0.56	0.56	56304428
C&C Realtors Ltd	Subsidiaries	-	5. 55	5.55	94968294
	TOTAL	**303.46**	**6.11**	**1208.82**	

13. DISCLOSURES IN RESPECT OF JOINT VENTURES

(a) List / Financial interest in Joint Ventures

(RS. IN LACS)

Name of the Joint Venture	Description of Interest	% of Co's Interest	Company's share of				
			Assets	**Liabilites**	**Income**	**Expenses**	**Tax**
			As at 30th June 2011		**For the year**		
BSC-C&C 'JV'	Jointly Controlled Operations (Construction of roads)	50%	74,344.90	74,344.90	52,573.48	46,490.31	2,790.17
			(46,010.50)	(46,010.50)	(53,655.33)	(46,151.01)	(1,424.76)
BLA-CISC-C&C 'JV'	Jointly Controlled Operations (Construction of roads)	**50%**	**25.63**	**25.63**	**-**	**-**	**-**
			(0.56)	(0.56)	-	-	-
C&C SE JV	Jointly Controlled Operations (Construction of Water, Sewerage pipe line)	55% & 80%	2,025.56	2,025.56	1,493.70	1,409.43	-
			(601.41)	(601.41)	(779.99)	(575.44)	(13.21)
C&C - Case Cold JV	Jointly Controlled Operation of transmission	50%	0.34	0.34	-	3.18	-
			-	-	-	-	-
ICI - C&C JV	Jointly Controlled Operations (Construciton of roads and transmision)	50% & 40%	1,213.28	1,213.28	598.72	550.51	15.33
Total			**77,609.71**	**77,609.71**	**54,665.90**	**48,453.43**	**2,805.50**
			(46,612.47)	(46,612.47)	(54,435.32)	(46,726.45)	(1,437.97)

14. As per information available with the Company, the Sundry Creditors do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act

15. Cash and Bank Balance: Details of balances kept with non-scheduled banks as on balance sheet dates and the maximum balances kept with non-scheduled banks during the period / year are as follow:

Balance with non-scheduled banks	2010-11 (Rs.)	2009-10 (Rs.)
In Current Accounts: **Kabul Bank**	4,129	1,952,146

Maximum balance held in non-scheduled banks During the period / year	2010-11 (Rs.)	2009-10 (Rs.)
In Current Accounts: **Kabul Bank**	27,203,807	37,279,921

16. COMPUTATION OF BASIC & DILUTED EARNINGS PER SHARE (EPS)

	2010-11 (Rs.)	2009-10 (Rs.)
(a) Basic EPS		
Profit after tax as per Accounts	520,470,926	690,859,613
Less: Preference shares Dividend and Dividend Distribution Tax	58,113	-
Profit attributable to equity shares	520,412,813	690,859,613
Weighted Average No. of Equity Shares	23,389,260	19,370,150
Face Value of Equity Shares	10.00	10.00
Basic EPS	22.25	35.67
(b) Diluted EPS		
Profit after tax as per Accounts	520,470,926	690,859,613
Profit attributable to potential equity shares	520,470,926	690,859,613
Weighted Average No. of Equity Shares	23,389,260	19,370,150
Add: Weighted average No. of potential equity shares on conversion of Preference Shares	1,602,740	-
Weighted Average No. of outstanding shares for diluted EPS	24,992,000	-
Face Value of Equity Shares	10.00	10.00
Diluted EPS	20.83	35.67

EPS has been calculated as per the provisions of Accounting Standard AS-20

17. SUNDRY DEBTORS INCLUDES:-

i) Amount due from Mudit Cement Ltd an Associates Company in which the Directors of the Company are interested Rs.1486.64 Lacs (Rs. 619.11 Lacs) .The Maximum amount outstanding at any time during the year Rs. 1486.64 (Rs.965.39 Lacs)

ii) Amount due from C&C Tower Ltd a Subsidiary Company in which the Directors of the Company are interested Rs.NIL Lacs (Rs.1063.83 Lacs) .The Maximum amount outstanding at any time during the year Rs. 3635.94 (Rs.1063.83 Lacs)

18. CHANGE IN DEPRECIATION POLICY:

As prudential accounting policy in respect of the company's projects in Afghanistan, the company had been providing depreciation at higher rates than the rates prescribed in the Schedule XIV of the Companies Act, 1956, on the plant and machineries and tippers and tractors for geopolitical reasons.

The rates at which depreciation provided are as under:
- Plant & Machineries (crusher, WMM, HMP & batching plant), tippers and tractors - Written off in 2 Years
- Plant & Machineries (others) - Written off in 7 Years

On reviewing the condition of the equipments, the management is of the opinion that the equipments are in good working condition and will give normal useful life, therefore, excessive depreciation already charged in the books of accounts in the past, has to be written back.

Accordingly, the company has recalculated depreciation on the equipments at the rates prescribed in the Companies Act, 1956 and excess depreciation provided up to 30th June, 2010 amounting to Rs 193,279,178 has been written back as an "Exceptional Item" in the profit and loss account for the year.

The Change in policy has resulted in decrease in depreciation expense by Rs. 91,09,279/- for the year and increase in profit after depreciation by Rs. 91,09,279/-.

19. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS 15 (REVISED) "EMPLOYEES BENEFITS" DEFINED BENEFIT PLAN

		2010-11 (Rs.)		2009-10 (Rs.)	
		Gratuity	Leaves entitlement	Gratuity	Leaves entitlement
(i)	**Reconciliation of opening and closing balance of Deferred Benefit obligations:**				
	At the beginning of the Year	375.46	778.42	187.75	394.05
	Interest cost	29.07	60.22	13.14	27.58
	Past service cost	-	-	32.85	-
	Current service cost	178.88	255.64	152.40	392.40
	Benefits paid during the year	(17.79)	(46.89)	-	(19.88)
	Actuarial (Gain) / Loss	61.54	47.22	(10.68)	(15.73)
	At the closing of the year	627.16	1,094.61	375.46	778.42
(ii)	**Reconciliation of Opening and Closing balance of fair value of plan assets:**				
	Fund Status as at the beginning of the year	69.29	-	22.86	-
	Expected Return on Plan Assets	5.89	-	2.31	-
	Contribution	-	-	44.13	-
	Benefits paid - From the Plan Assets	(15.71)	-	-	-
	Actuarial (Gain) / Loss on Plan Assets	(1.30)	-	-	-
	Fair value of plan assets at year end	58.18	-	69.29	-
(iii)	**Actual gain / loss recognized:**				
	Actuarial (gain) / loss for the year- Obligation	61.54	47.22	(10.68)	(15.73)
	Actuarial (gain) / loss for the year- Plan Assets	1.30	-	-	-
	Total (gain) / loss for the year	62.84	47.22	(10.68)	(15.73)
	Actuarial (gain) / loss recognized during the year	62.84	47.22	(10.68)	(15.73)
	Unrecognized actuarial (gain) / loss at the end of the year	-	-	-	-
(iv)	**Amount recognized in the Balance Sheet:**				
	Present value of obligation at the year end	627.16	1,094.61	375.46	778.42
	Fair value of plan assets at year end	(58.18)	-	(69.29)	-
	Funding status	(568.98)	(1,094.61)	(306.16)	(778.42)
	Net assets (liability) recognized in the Balance Sheet	(568.98)	(1,094.61)	(306.16)	(778.42)
(v)	**Expense recognized in Profit & Loss Account:**				
	Current Service Cost	178.88	255.64	152.40	392.40
	Past service cost	-	-	32.85	-
	Interest Cost	29.07	60.22	13.14	27.58
	Expected return on plan assets	(5.89)	-	(2.31)	-
	Fund paid in earlier year	-	-	(22.86)	-
	Net actuarial (gain) / loss recognized in the year	62.84	47.22	(10.68)	(15.73)
	Expenses recognized in the profit & Loss Account	264.90	363.08	162.55	404.25
(vi)	**Movement in the liability recognized in the Balance Sheet:**				
	Opening liability	306.16	778.42	187.75	394.05
	Expense recognized	264.90	363.08	162.55	404.25
	Benefits paid during the year-Direct	(2.08)	(46.89)	-	(19.88)
	Contribution during the year	-	-	(44.13)	-
	Closing net liability at year end	568.98	1,094.61	306.16	778.42
(vii)	**Actuarial Assumptions:**				
	Discounting Rate (Per Annuam)	8.40%	8.40%	7.80%	7.80%
	Rate of increments in the salary	10%	10%	10%	10%
	Rate of return on plan assets	8.15%	-	8.50%	-
	Expected average outstanding service of the employees	30.94 Yrs	30.94 Yrs	32.06 Yrs	32.06 Yrs

20. HP FINANCE

Assets acquired on HP finance mainly comprise Tippers and Tractors, Excavators, Motor Graders, Crushers and Cars. The HP finance agreements have a primary period which is fixed and non cancellable. There are no exceptional/ restrictive covenants in the HP agreements.

The minimum EMIs and present value of minimum EMIs as on 30th June, 2011 in respect of assets acquired under HP finance are as follows;

(RS. IN LACS)

		Minimum payment	Present Value of Minimum payment
i.	Payable not later than 1 year	2347.64	1928.18
ii.	Payable later than 1 year and not later than 5 years	1687.24	1523.04
	Total	**4034.88**	**3451.22**

21. Some of Sundry Debtors, Creditors, Loans & Advances, are subject to confirmation.

22. Previous year figures (including those given in bracket) have been regrouped, rearranged and reclassified,wherever considered necessary, to make them comparable to the current year figures

Signatures to Schedule 1 to 18

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Indepandent Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2011 (RS. IN LACS)

		2010-11		2009-10	
A	**NET CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		**10,289.46**		**10,827.93**
	Depreciation	3,699.35		4,477.95	
	Dividend Income	(16.28)		-	
	Depreciation Written back	(1,932.79)		-	
	(Profit) / Loss on Sale of Fixed Asets	(34.20)		-	
	Interest/Finance Charges	11,635.01		7,294.46	
	Exchange gain/loss on Non Integral branch	-	13,351.08	(686.51)	11,085.90
	Operating Profit before Working Capital Changes		**23,640.54**		**21,913.83**
	(increase)/Decrease in Sundry Debtors	(16,654.03)		19,360.54	
	(increase)/Decrease in Fixed Deposit	1,731.82		1,036.79	
	(increase)/Decrease in Inventories	(20,596.75)		(52,763.29)	
	(increase)/Decrease in Loans and Advances	524.34		8,503.26	
	increase/(Decrease) in Current Liabilities	5,127.40		9,744.15	
	increase/(Decrease) in Provision	579.78	(29,287.43)	485.63	(13,632.92)
	Cash Generated from Operations		(5,646.90)		8,280.91
	Income Taxes Paid		4,545.38		2,261.83
	Cash Flow from Operating Activities		**(10,192.28)**		**6,019.08**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	(Increase)/Decrease in Investment	(8,691.59)		(10,046.16)	
	Purchase of Fixed Assets (including Capital Work in progress)	(3,243.44)		(10,442.02)	
	Sale of Fixed Assets	2,362.65		232.29	
	Dividend received	16.28		-	
	Net Cash Flow from investing Activities		**(9,556.10)**		**(20,255.88)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceed from Share Capital	5,000.00		512.93	
	Share Premium	-		11,847.26	
	Proceeds from Secured Loans	11,139.23		20,548.59	
	Repayment of Secured Loans	(10,233.47)		(22,107.98)	
	Proceeds from working capital/short term loans	25,261.69		11,579.10	
	Interest /Finance Charges Paid	(11,635.01)		(7,294.46)	
	Dividend & Dividend tax Paid	(750.03)		(587.46)	
	Net Cash Flow from Financing Activities		**18,782.40**		**14,497.98**
	NET INCREASE/(DECREASE) in Cash and Cash Equivalents		**(965.97)**		**261.18**
	CASH AND CASH EQUIVALENTS, at the beginning of the year		**1,525.34**		**1,264.16**
	CASH AND CASH EQUIVALENTS, at the end of the year		**559.36**		**1,525.34**

The cash Flow Statement has been prepared under Indirect Method as set out in Accounting Standard-3 of the Companies (Accounting Standard) Rules, 2006. This is the Cash Flow Statement referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
	Registration No.	**State Code**
	80401	55
	Balance Sheet Date	
	30 06 2011	
	Date **Month** **Year**	
II. Capital raised during the year (Amount in Rs. Thousands)		
	Public Issue	**Rights Issue**
	NIL	NIL
	Bonus Issue	**Private Placement**
	NIL	500000
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
	Total Liabilities	**Total Assets**
	16285141	16285141
Sources of Funds	**Paid-up Capital**	**Reserves and Surplus**
	733892	5487330
	Secured Loans	**Unsecured Loans**
	9708093	NIL
	Deferred Tax Liability (Net)	
	355825	
Application of Funds	**Net Fixed Assets**	**Investments**
	3748571	2370781
	Net Current Assets	**Misc. Expenditure**
	10165788	NIL
	Accumulated Losses	
	NIL	
IV. Performance of Company (Amount in Rs. Thousands)	**Turnover**	**Total Expenditure**
	12943910	11914965
(Please tick Appropriate box	**Profit/Loss before Tax**	**Profit/Loss after Tax**
+for Profit, - for Loss)	+ 1028945	+ 520470
	Earning Per Share in Rs.	**Dividend rate (%)**
	22.25	27.50
V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)		
Product Description:	Construction	

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

Place: Gurgaon
Date : 26th August, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

(AMOUNT IN RS.)

	Name of Subsidiary Financial year of the subsidiary company ended on	C and C Projects Ltd. 31.03.2011	C & C Realtors Limited 31.03.2011	C & C Towers Ltd 31.03.2011
1.	Extent of interest in subsidiary company held by C & C Constructions Ltd. at the end of financial year of Subsidiary Company	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Step down subsidiary
2.	The net aggregate of the Subsidiary's Profits after deducting its losses or vice versa(so far as it concerns members of the Holding Company) **a)** not dealt with in the accounts of C & C Constructions Ltd. - For the Subsidiary's Financial Year ended 31.03.11 - For the Previous Financial years of Subsidiary since it became the subsidiary of C & C Constructions Ltd. **b)** Dealt with or provisions is made for losses in the accounts of C & C Constructions Ltd. - For the Subsidiary's Financial Year ended 31.03.11 - For the Previous Financial years of Subsidiary since it became the subsidiary of C & C Constructions Ltd.	 2,734,184 (7,49,072) Nil Nil	 (4,133,104) (3,77,984) Nil Nil	 59.444 (21,571) Nil Nil
3.	**a)** Changes in the interest of C & C Constructions Ltd. between the end of Financial year of Subsidiary and the end of Financial Year of C & C Constructions Ltd. **b)** Material Changes between the end of Financial year of Subsidiary and the end of Financial Year of C & C Constructions Ltd. in respect of i) Subsidiary's Fixed Assets ii) Its Investments iii) the moneys lent by it iv) moneys borrowed by it for any purpose other than that of meeting current liabilities	Nil 2,38,26,851 30,81,28,919 Nil 28,53,84,062	Nil Nil Nil Nil Nil	Nil 30,29,20,392 Nil Nil 3,02,80,470
4	Issued and Subscribed share Capital	851,562,580	950,387,900	943,918,600
5	Reserves	466,299	(4,511,088)	37,873
6	Total Assets	1,354,198,130	943,950,989	1,995,365,061
7	Total Liabilities	1,354,198,130	943,950,989	1,995,365,061
8	Investments	1,082,080,331	-	-
9	Turnover	6,585,809	-	130,557
10	Profit/ (Loss) before taxation	5,476,388	(4,304,420)	63,644
11	Provision for taxation	(2,742,204)	171,316	(4,200)
12	Profit/ (Loss) after taxation	2,734,184	(4,133,104)	59,444
13	Proposed Dividend	-	-	-

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

Place: Gurgaon
Date : 26th August, 2011

CONSOLIDATED FINANCIALS

AUDITOR'S REPORT

To The Board of Directors of
C&C Constructions Ltd.

We have audited the attached Consolidated Balance Sheet of C&C Constructions Ltd. (the Company) and its subsidiaries and joint ventures (C&C Group) as at June 30, 2011, the Consolidated Profit and Loss Account of C&C Group for the year ended on that date and the Consolidated Cash Flow Statement of the C&C Group for the Year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards Generally Accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of 3 (three) subsidiary companies and 5 (five) jointly controlled entities included in the consolidated financial statements. Financial statements of these entities as on 30th June,2011 have been certified by the management of the Company and our opinion in so far as it related to the amounts included for such entities is based solely on the management certificated financial statements. The entities reflect (to the extent of proportionate share of C&C group and reflected in the consolidated financial statements) total assets of Rs. 52,197.39 lacs as on 30th June, 2011 and total revenue of Rs. NIL for the year.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards -Consolidated Financial Statements (AS-21) and Financial Reporting of Interests in associates (AS-23) prescribed by Companies (Accounting Standards) Rules, 2006.

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.

a) In Case of the consolidated Balance Sheet, of the state of affairs of the C&C Group as June 30, 2011;

b) In case of consolidated Profit and Loss account, of the profit of C&C Group for the year ended on that date; and

c) In the case of the consolidated Cash Flow Statement, of the cash flows of the C&C Group for the year ended on that date.

For ASG & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285
Firm Registration No. : 000389N

Place : Gurgaon
Dated: 26th August 2011

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

	Schedules	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Equity Share Capital	1	233,892,600	233,892,600
Compulsory Convertible Preference Share Capital		500,000,000	-
Share Application Money Pending Allotment (Associate Company)		-	42,632,450
Reserves and Surplus	2	5,432,051,631	5,059,210,671
Minority Interest in subsidiary Companies		180	180
LOAN FUNDS			
Secured Loans	3	13,055,063,658	8,341,304,086
Deferred Tax Liability (Net)	12	356,525,521	369,754,301
		19,577,533,590	**14,046,794,288**
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	5,139,338,974	5,055,299,288
Less: Depreciation		1,320,921,954	1,274,226,234
Net Block		3,818,417,020	3,781,073,054
Capital Work-in-progess		4,625,775,352	2,566,159,172
		8,444,192,372	**6,347,232,226**
INVESTMENTS	5	699,132,674	221,933,053
Defer Tax Assets (Subsidiary Companies)		345,788	1,023,794
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	**6**	**10,779,218,646**	**8,720,545,787**
Sundry Debtors	7	2,931,224,633	1,412,673,425
Cash and Bank Balances	**8**	**586,393,467**	**900,378,126**
Loans and Advances	9	2,569,143,421	2,796,448,457
		16,865,980,167	**13,830,045,795**
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	6,199,823,590	6,181,097,339
Provisions	11	241,504,415	183,716,839
		6,441,328,005	**6,364,814,178**
NET CURRENT ASSETS		**10,424,652,162**	**7,465,231,617**
Miscellaneous Expenditure		9,210,594	11,373,598
		19,577,533,590	**14,046,794,288**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18		

The schedules referred to above and the notes thereon form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Indepandent Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

	Schedules	2010-2011 (Rs.)	2009-2010 (Rs.)
INCOME			
Work Executed		12,800,063,548	11,621,255,437
Other Income	13	41,692,083	74,663,465
		12,841,755,631	**11,695,918,902**
EXPENDITURE			
Construction Expenses	14	8,531,364,671	7,638,288,705
Staff Expenses	15	1,374,072,029	1,235,322,322
General and Administration Expenses	16	646,453,461	616,191,160
Interest	17	1,164,626,059	735,219,498
Depreciation		379,333,229	455,310,908
		12,095,849,449	**10,680,332,593**
Profit before exceptional items		**745,906,182**	**1,015,586,309**
- Exceptional items (Depreciation written back) (See Note No.-20)		193,279,178	-
Profit after exceptional items but before Tax		**939,185,360**	**1,015,586,309**
Tax Expenses			
-Current Tax		481,079,864	182,058,029
-Deferred Tax		(12,550,774)	209,899,564
-Tax Adjustments of earlier years		42,299,884	-
Profit after Tax		**428,356,386**	**623,628,717**
Add: Profit brought forward		1,744,056,336	1,270,430,910
Profit available for Appropriation		**2,172,412,722**	**1,894,059,626**
Appropriations			
Proposed Dividend- Preference Shares		50,000	-
Proposed Dividend- Equity Shares		64,320,465	64,320,465
Dividend distribution tax		10,442,500	10,682,825
Transfer to General Reserve		75,000,000	75,000,000
Balance Carried to Balance Sheet		2,022,599,757	1,744,056,336
		2,172,412,722	**1,894,059,626**
Earning per share (face value of Rs.10/- each) (EPS)			
-Basic		18.31	32.20
-Diluted		17.14	32.20
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18		

The schedules referred to above and the notes thereon form an integral part of the Consolidated Profit and Loss Account.
This is the Consolidated Profit and Loss Account referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

1. SHARE CAPITAL

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
AUTHORISED		
3,00,00,000 (2,98,00,000) Equity Shares of Rs. 10/- each	300,000,000	298,000,000
5,00,00,000 (2,00,000) Preference Shares of Rs. 10/- each	500,000,000	2,000,000
	800,000,000	**300,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
2,33,89,260 (2,33,89,260)Equity Shares of Rs. 10/- each fully paid up*	233,892,600	233,892,600
5,00,00,000 (Nil) Compulsory Convertible Preference Shares of Rs. 10/- Each fully paid up	500,000,000	-
	733,892,600	**233,892,600**

* of the above

(i) 62,300 (62,300) equity shares of Rs. 10 each were issued as fully paid up shares pursuant to contracts for consideration other than cash

(ii) 1,00,69,394 (1,00,69,394) equity shares of Rs. 10 each were alloted as fully paid up Bonus shares by capitalisation of Reserve

2. RESERVES & SURPLUS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Capital Reserve (Government grants)		
At the commencement of the year	190,372,997	82,761,000
Add: Addition during the year	19,297,536	107,611,997
	209,670,533	**190,372,997**
Foreign Project Reserve Account	-	10,540,851
Less - Transfer to general Reserve		10,540,851
	-	-
Share Premium Account		
As at the commencement of year	2,605,353,339	1,420,627,028
Add: Addition during the year	-	1,217,408,412
Less: Share issue expenses		32,682,101
	2,605,353,339	**2,605,353,339**
General Reserve		
At the commencement of the year	519,428,002	433,887,151
Add: Transfer from Profit & Loss Account	**75,000,000**	**75,000,000**
Add: Transfer from Foreign Project Reserve Account	-	10,540,851
	594,428,002	**519,428,002**
Profit & Loss Account		
At the commencement of the year	1,744,056,336	1,270,430,910
Add: Addition for the Year	**353,543,421**	**548,625,426**
Less - Transfer to General Reserve	75,000,000	75,000,000
	2,022,599,757	**1,744,056,336**
	5,432,051,631	**5,059,210,671**

3. SECURED LOANS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
From Banks		
Working Capital Borrowing	6,843,527,409	4,326,341,541
Term Loans	3,172,350,338	1,205,616,270
From Others		
Term Loans	2,691,853,018	2,199,943,887
Hire Purchase Finance	347,332,893	609,402,388
	13,055,063,658	**8,341,304,086**

Notes:

a) Working Capital Borrowings are secured by first charge over stocks, book debts and other current assets of the Company, second charge over fixed assets of the Company, corporate guarantee of associate company and personal guarantees of promoter directors.

b) Term Loans availed from working capital bankers are secured by first charge on fixed assets, second charge on the current assests of the Company and personal guarantees of Promoter directors. Term Loans/ Demand Loans from other institutions / banks are secured by second charge over fixed assets of the Company, subservient charge over entire assets of the Company, personal gurantees of promoter directors, Corporate guarantees of associate companies and pledge of some portion of shares in the Company held by individual/ corporate promoters.

c) Hire purchase finances are secured by hypothecation of specific assets procured under the respective hire purchase agreements and personal guarantees of promoter directors.

d) Term Loans include Rs. 7114 lacs (Rs.10377.2 lacs) falling due for payment within 12 months.

e) Hire Purchase Finance includes Rs. 1950.29 lacs (Rs.3149 lacs) falling due for payment within 12 months.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

4. FIXED ASSETS

		GROSS BLOCK				DEPRECIATION				NET BLOCK		
Sr. No.	Items	1st July 2010	Addtions During the year	Adjustments During the year	Total 30th June. 2011	Upto 30th June. 2010	"Reversal of excess depreciation upto 30.06.10 (Note No.20)"	Current Year	Adjustments During the year	Total 30th June. 2011	Net Block 31st Dec 2010	Net Block 30th June 2010
A	**TANGIBLE ASSETS**											
1	LAND	41,570,598	48,823,171	-	90,393,768	-	-	-	-	-	90,393,768	41,570,598
2	BUILDING	165,352,770	142,181,371	-	307,534,141	7,729,576	-	2,733,703	(297)	10,463,576	297,070,565	157,623,194
3	TEMPARARY SHEDS	430,874,180	86,766,046	81,921,236	435,718,990	348,513,017	-	91,153,682	80,857,984	358,808,715	76,910,275	82,361,163
4	PLANT & MACHINERY	3,294,615,486	105,947,838	216,332,797	3,184,230,527	608,793,333	189,534,233	161,706,704	29,649,180	551,316,624	2,632,913,903	2,685,822,152
5	TIPPERS & TRACTORS	783,992,578	22,592,395	64,473,652	742,111,321	202,996,253	3,744,944	87,252,199	22,319,125	264,184,383	477,926,938	580,996,325
6	OFFICE EQUIPMENT	76,417,719	6,905,115	2,043,521	81,279,314	14,638,809	-	5,654,588	898,935	19,394,461	61,884,853	61,778,911
7	COMPUTER	50,856,771	5,070,792	2,739,038	53,188,525	23,042,380	-	8,307,554	2,607,325	28,742,609	24,445,916	27,814,391
8	FURNITURE & FIXTURE	50,058,687	2,964,252	1,965,872	51,057,067	18,907,758	-	3,935,532	1,441,061	21,402,229	29,654,838	31,150,929
9	VEHICLE	148,402,227	26,563,862	2,218,122	172,747,967	45,065,547	-	14,591,664	1,019,854	58,637,356	114,110,611	103,336,681
	Total :-	**5,042,141,018**	**447,814,842**	**371,694,236**	**5,118,261,622**	**1,269,686,672**	**193,279,178**	**375,335,625**	**138,793,168**	**1,312,949,952**	**3,805,311,669**	**3,772,454,346**
B	**INTAGIBLE ASSETS**	13,158,270	8,485,180	566,099	21,077,353	4,539,563	-	3,997,604	565,165	7,972,002	13,105,351	8,618,708
	Grand Total :-	**5,055,299,288**	**456,300,023**	**372,260,336**	**5,139,338,974**	**1,274,226,235**	**193,279,178**	**379,333,229**	**139,358,332**	**1,320,921,954**	**3,818,417,020**	**3,781,073,054**
	Previous Year	4,071,528,673	1,047,084,477	63,313,862	5,055,299,288	858,999,752		455,310,908	40,084,426	1,274,226,234	3,781,073,054	3,212,528,921
C	**Capital work in progrss**										**4,625,775,352**	**2,566,159,172**

Note 1 : - Intangible assets camparise mainly Softwares, licences and cost incurred on implementation of Oracle ERP system.

Note 2 : - Capital Work in Progress mainly comprise BOT (Built, Operate, & Transfer) Projects undertaken by the subsidiary and associate Companies which are yet to be completed, hence pending for capitalisation.

5. INVESTMENTS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
LONG TERM INVESTMENTS		
Trade		
Quoted		
Investment in Equity Shares		
- 2170950 Equity shares of Jaypee Infratech Ltd. @ Rs. 10/- each	206,175,814	206,175,815
Investment in Mutual Fund		
- 1500000 Units of SBI Mutual Fund of Rs. 10/- each	15,000,000	-
Unquoted		
Investment in Government and Trust Securities		
- National Saving Certificates	132,500	132,500
Other Investments		
- Equity Shares of Mokama-Munger Highway Ltd. of Rs.10/- each at cost	-	249,990
Share Application Money Pending Allotment		
- BSC-C and C Kurali Toll Road Ltd. an associate company	-	374,748
- Mokama-Munger Highway Ltd.	79,131,230	-
- North-Bihar Highway Ltd.	247,679,000	-
'- Patna Bakhtiyarpur Tollway Ltd.	151,014,130	-
- SBI Mutual Fund	-	15,000,000
	699,132,674	**221,933,053**
Quoted Investment (at cost)	**221,175,814**	**206,175,815**
Unquoted Investment (at cost)	**477,956,860**	**15,757,238**
Market Value of Quoted Investment	**138,533,340**	**195,385,500**

*Nepalies Rupees

6. INVENTORIES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
As certified by the Management		
Raw materials*	2,685,106,652	1,170,619,552
Stores,Spares and Consumables*	295,665,044	327,186,825
Work-in-progress		
At estimated realisable value on sale	20,567,692,801	18,798,230,833
Less: Progress bills raised	12,800,063,548	11,621,255,437
Stock at Construction Site	7,767,629,253	7,176,975,396
Material in Transit	30,817,697	45,764,014
	10,779,218,646	**8,720,545,787**

*Valued at cost or net realisable value whichever is lower

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

7. SUNDRY DEBTORS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Unsecured		
Debts outstanding for a period exceeding six months -		
-Considered good	154,290,828	17,197,777
Others - Considered good	2,776,933,805	1,395,475,648
	2,931,224,633	**1,412,673,425**

8. CASH AND BANK BALANCES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Cash in hand	14,473,281	11,371,224
Balances with scheduled banks		
- in Current Accounts	111,033,414	269,498,433
- in Fixed Deposit With Banks (Including Interest accrued thereon)*	460,882,643	617,556,323
Balance with non-scheduled banks		
- in Current Accounts	4,129	1,952,146
	586,393,467	**900,378,126**

*Under lien with banks towards margin Money.

9. LOANS AND ADVANCES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Unsecured, Considered Good		
Advances Recoverable in cash or kind or for value to be received	1,919,025,250	1,389,641,671
Retention Money Receivable	461,656,706	763,175,665
Security Deposits	49,623,385	47,028,424
Balances with Joint Ventures	-	390,245,752
Advance Tax (Net of Provisions)	138,838,080	206,356,945
	2,569,143,421	**2,796,448,457**

10. CURRENT LIABILITIES

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Sundry Creditors	2,265,302,474	2,253,950,652
Acceptances	924,616,569	1,386,975,013
Balance with Joint Ventures	416,486,323	-
Interest Accrued but not due	29,118,292	22,678,786
Mobilization and Material Advance from Employers	1,752,085,250	2,037,250,483
Other Liabilities	811,791,043	479,951,153
Unclaimed Dividends	423,639	291,252
	6,199,823,590	**6,181,097,339**

11. PROVISIONS

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
Proposed Dividend	64,370,465	64,320,465
Dividend Tax	10,442,500	10,682,825
Employee Retirement Benefits	166,359,219	108,458,154
Other Provision	332,231	255,395
	241,504,415	183,716,839

12. DEFERRED TAX LIABILITY (NET)

	As At 30th June, 2011 (Rs.)	As At 30th June, 2010 (Rs.)
(A) Deferred Tax Liability		
Depreciation - Difference in Depreciation for Accounting and Tax purpose	412,288,158	409,491,370
Less: Deferred Tax Assets		
Employees' Retirement Benefits	55,784,453	30,513,700
Others	-	9,297,020
	356,503,705	**369,680,650**
Add: Deferred Tax Liability of an associate company	**21,816**	**73,651**
	356,525,521	**369,754,301**
(B) Deferred Tax Assets (Subsidiary Companies)	**345,788**	**1,023,794**

13. OTHER INCOME

	2010-2011 (Rs.)	2009-2010 (Rs.)
Dividend Income	1,757,181	-
Miscellaneous Income	39,934,902	74,663,465
	41,692,083	**74,663,465**

14. CONSTRUCTION EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Cost of Material		
Raw Materials and Components	6,152,910,910	9,160,598,743
Stores,Spares and Consumables	1,816,253,422	1,576,025,856
	7,969,164,332	**10,736,624,599**
Add: Opening Stock		
Raw Materials and Components	1,170,619,552	1,070,884,854
Stores,Spares and Consumables	327,186,825	259,623,180
Work-in-Progress	7,176,975,396	2,141,141,833
Less: Closing Stock		
Raw Materials and Components	2,685,106,652	1,170,619,552
Stores,Spares and Consumables	295,665,044	327,186,825
Work-in-Progress	7,767,629,253	7,176,975,396
(A)	**5,895,545,156**	**5,533,492,693**
Project Execution Expenses		
Construction Expenses	1,565,404,116	1,061,040,477
Site Development Expenses	67,174,726	52,435,058
Hire Charges	328,820,207	412,890,393
Repair and Maintenance		
Plant & Machinery	554,209,262	460,048,573
Building	1,365,916	
Vehicles	110,933,243	102,728,406
Others	7,912,045	15,653,105
(B)	**2,635,819,515**	**2,104,796,012**
(A+B)	**8,531,364,671**	**7,638,288,705**

15. STAFF EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Salaries, Wages and Bonus	1,112,606,066	996,575,484
Contribution to and Provision for:		
Provident Fund	33,575,628	29,388,636
Gratutity	26,355,975	16,410,655
Leave Encashment	36,262,041	41,183,722
Staff Welfare	165,272,319	151,763,825
	1,374,072,029	**1,235,322,322**

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011

16. GENERAL AND ADMINISTRATION EXPENSES

	2010-2011 (Rs.)	2009-2010 (Rs.)
Travelling and Conveyance	37,691,104	34,084,783
Printing and Stationery	15,048,435	17,443,168
Telephone & Communication	20,596,210	22,783,872
Electricity	18,199,519	16,419,871
Legal and Professional	90,817,729	124,756,426
Rent	25,877,230	20,993,674
Rates and Taxes	7,594,338	8,963,246
Insurance	58,915,985	59,101,582
Auditors Remuneration	4,531,171	3,748,738
Directors' Commission	8,000,000	6,600,000
Miscellaneous Expenses	173,569,284	126,587,639
Bank Guarantees Commission	94,393,287	102,055,803
Bank Commission & Financial Charges	89,450,626	70,883,815
Preliminary Expenses	1,768,543	1,768,543
	646,453,461	**616,191,160**

17. INTEREST

	2010-2011 (Rs.)	2009-2010 (Rs.)
Interest on Fixed Term Loans	310,012,127	313,846,904
Interest Others	901,143,454	463,746,869
	1,211,155,581	**777,593,773**
Less: Interest Income	46,529,522	42,374,275
	1,164,626,059	**735,219,498**

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and comply with the Accounting Standards and Generally Accepted Accounting Principles (GAAP) in India.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. PRINCIPLES OF CONSOLIDATION

i) The Financial Statement of the parent company and its subsidiaries have been consolidated on line by line basis by adding together the book value of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profit/losses on intra group transactions, presented to the extent possible, in the same manner as the company's independent financial statement.

ii) Investment in Associates companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount of investment is adjusted thereafter for post acquisition change in the company share of net assets of the associates. Investment in associates is accounted for as per Accounting Standard (AS) 13 issued by The Institute of Chartered Accountant of India.

iii) The Company's interest in joint ventures are consolidated to the extent of Company's interest in the joint ventures and are consolidated on the line-by line basis by adding together the book values of assets, liabilities, income and expenses after eliminating intra group balances the unrealised profit/ losses on intra group transactions.

iv) The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis.

v) The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

vi) Minority interest in the net assets of consolidated subsidiary company is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made and

b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

vii) Minority's share of Net Profit / (Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

4. FIXED ASSETS AND CAPITAL-WORK-IN-PROGRESS

Fixed assets are stated at cost, less accumulated depreciation up to the date of the balance sheet. Cost includes duties & taxes inwards freight & incidental expenses related to acquisition and installation of the assets.Intangible assets comprise of licence fees, software and other implementation cost for software Oracle finance (ERP) acquired for in-house use.

Capital work-in-progress includes cost of fixed assets that are not yet ready for their intended use and advance paid to acquire fixed assets

5. DEPRECIATION

a) Depreciation on the assets of the Company is charged on straight line method at the rates specified in Schedule XIV of Companies Act, 1956, on single shift basis, including those purchased under hire purchase agreements,

b) Depreciation for additions to/deductions from assets is calculated on prorate basis from/to the date of additions / deductions

c) Software and implementation cost including users licence fees of the Enterprise Resource Planning System (ERP) and other application software costs are amortised over a period of Five years.

d) Assets costing less than Rs. 5,000/- are depreciated at hundred percent in the year of purchase.

Change in Depreciation Policy:
In respect of company's projects in Afghanistan, the company had been providing depreciation at higher rates than the rates prescribed in the Schedule XIV of the Companies Act, 1956 on plant & machineries and tippers and tractors, up to 30th June, 2010. The depreciation policy in respect of the said assets has been changed and aligned with the rates prescribed in the Schedule XIV of the Companies Act, 1956, with effect from 1st July, 2010 and depreciation has been provided accordingly in the Profit & Loss Account for the year.

6. INVESTMENTS
Investments are valued at cost of acquisition. No provision for diminution in value, if any, is made, if considered to be temporary in nature.

7. INVENTORIES
a) Raw Material and Stores are valued at the lower of cost or net realisable value. The cost is arrived at by first-in-first out method except cost of spares which is valued at weighted average method.

b) Work-in-progress is valued at Net realisable value.

8. RETIREMENT BENEFITS TO EMPLOYEES
Defined contribution obligation: Company's contribution to provident fund and Employees State Insurance are defined contribution obligations which are charged to the Profit & Loss Account on accrual basis.

Defined benefit obligations: Gratuity and Earned Leaves are defined benefit obligations which are recognized on actuarial valuation basis.

9. REVENUE RECOGNITION

Revenue is recognised as follows:
i) Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method, Percentage of completion is determined as a proportion of cost incurred to date to the total estimated contract cost . Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client.

ii) Revenue from contracts executed in Joint Ventures (Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"), is recognised on the same basis as similar contracts independently executed by the Company.

iii) Small Insurance claims are accounted for on cash basis and major claims are accounted for as and when the same are lodged.

iv) All other expenses and income are accounted for on accrual basis.

10. BORROWING COSTS
Borrowing Cost that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets up to the date the assets are ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

11. TAXATION
a) Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961.

b) Deferred Tax is recognised subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be adjusted in future.

c) Provision for Income Tax has been made on the taxable income for the tax year ended 31st March, 2011.Further , provision for Tax, if any, in respect of income accrued during the period 1st April, 2011 to 30th June, 2011 has been made on the basis of provisions of Income Tax law and tax rates applicable to the relevant financial year.

12. FOREIGN CURRENCY TRANSACTIONS, FOREIGN OPERATIONS, AND FORWARD CONTRACTS
a) The reporting currency of the Joint Venture is Indian Rupee.

b) Foreign operations of the Joint Venture have been classified as integral foreign operations and financial statement are translated as under at each balance sheet date:

i) Foreign currency monetary items are reported using the closing rate.

ii) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

iii) Non – monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

iv) Revenue and Expenses are recognised at yearly average of exchange rates prevailing during the year. Exchange difference arising on translation is recognized as income or expenses of the period in which they arise.

c) Monetary Assets and liabilities related to foreign currency transaction remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and unrealized gains or losses on exchange translation are recognized in the profit and loss account.

13. ACCOUNTING OF JOINT VENTURES

Jointly Controlled Operations:
In respect of joint venture contracts in the nature of Jointly Controlled Operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial Statement.

14. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine,

a) The provision for impairment loss, if any, required or

b) The reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount,Recoverable amount is determined

a) in the case of an individual asset, at the higher of the net selling price and the value in use.

b) in the case of a cash generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life).

15. LEASES

a) Assets acquired under lease where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost.

b) Assets acquired on lease where a significant portion of the risk and reward of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & Loss account on accrual basis.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation,if,

a) the company has a present obligation as a result of past event,

b) a probable outflow of resources is expected to settle the obligation and

c) the amount of the obligation can be reliably estimated.

d) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received,

Contingent Liability is disclosed in the case of

a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, if the probability of outflow of resources is not remote.

Contingent Assets are neither recognised nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date

17. DERIVATIVE AND HEDGING INSTRUMENTS ACCOUNTING

In respect of derivative contracts, premium paid , gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets , in which case, they are adjusted to the carrying cost of such assets

18. CALCULATION OF EARNING PER SHARE (EPS)

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity share-holders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity share-holders by the weighted average number of shares outstanding during the period added with the affect of all dilutive potential equity shares outstanding.

19. CASH & CASH EQUIVALENTS:

Cash and cash equivalents for the purpose of Cash flow Statement comprise cash in hand and cash at bank and include cheques in hand.

B. NOTES TO ACCOUNTS

1. BASIS OF PREPARATION

The Consolidated Financial Statement (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement" Accounting Standard (AS) 23 "Accounting for Investment in Associates in consolidated Financial Statement".

The CFS comprises the financial Statements of C&C Constructions Ltd, its subsidiaries, Associates and Joint Ventures. Financial year of some of the subsidiaries and joint ventures do not coincide with the financial year of the parent company. Audited financial statements of these subsidiaries as per their financial year, are annexed elsewhere in this annual report. Separate Financial Statements of these Subsidiaries have been prepared for the twelve months ended on 30th June, 2011 to align with the reporting date of parent company.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:

A. In relation to the Company:-

		As at June 30th, 2011 (Rs. Lacs)	As at June 30th, 2010 (Rs. Lacs)
a)	Claims against the Company not acknowledged as debts.	58.44	19.46
b)	Tax Liabilities that may arise in respect of matters in appeals (Amount Deposited Rs.36.93 lacs)	161.18	38.35
c)	Outstanding bank guarantees	35137.00	41874. 50
d)	Outstanding letters of credit	2506.32	5735.86

In case of following Special Purpose Companies (SPCs), the Company has guaranteed and undertaken to the lenders of these SPCs to cover the shortfall in repayment of the loan amount and payment of interest in case of termination of Concession Agreement due to any event of default during the currency of the loan.

- BSC-C&C Kurali Toll Road Ltd.
- C&C Towers Ltd.
- Mokama Munger Highway Ltd.
- North Bihar Highway Ltd.

B. In relation to Joint Ventures:-

		As at June 30th, 2011 (Rs. Lacs)	As at June 30th, 2010 (Rs. Lacs)
a)	Claims against the JVs not acknowledged as debts (company's share)	20.83	30.50
b)	Tax Liabilities that may arise in respect of matters in appeals (company's share) (Amount Deposited Rs.337.69 lacs-company's share)	720.76	288.42
c)	Outstanding bank guarantees given by the company's bankers(on behalf of Joint Venture's)	46754.00	26640.00
d)	Outstanding letters of credit given by the company's bankers (on behalf of Joint Venture's)	7311.80	5146.76

Capital Commitments

Estimated amount of Contracts (net of advances) remaining to be executed on Capital Account and not provided for Rs 1676.88 Lacs (Rs.412.13 Lacs)

Company's share of estimated amount of contracts (net of advances) remaining to be executed on Capital Account not provided for by Joint Ventures Rs 1668.00 (Rs.78.00 lacs) included in above.

3. The construction activities of the company are considered as a service activity covered under para 3(II)(C) of Part-II of Schedule VI of the Companies Act, 1956. Thus, particulars in respect of installed capacities, licensed capacities, production, stocks and sales of final products/services are not applicable.

4. Value of imported raw material, stores and spares consumed and the value of all indigenous raw materials, stores and spares similarly consumed and the percentage of each to the total consumption:

	2010-11		2009-10	
	Rs.	%	Rs.	%
Raw material, stores and spares				
- Imported	382,647,973	5.90%	702,232,718	6.64 %
- Indigenous	6,103,551,039	94.10%	9,867,093,539	93.36%
	6,486,199,012	**100%**	**10,569,326,256**	**100%**

5. EARNINGS IN FOREIGN CURRENCY

	2010-11 (Rs.)	2009-10 (Rs.)
Overseas Projects and others	1,126,721,918	939,896,009
	1,126,721,918	**939,896,009**

6. CIF VALUE OF IMPORTS

	2010-11 (Rs.)	2009-10 (Rs.)
Capital Expenditure at Overseas projects	6,602,490	8,414,226
Capital Expenditure in Indian Projects	25,112,275	316,243,537
Raw Material , Store & Spares at Overseas projects	852,745,909	1,000,545,470
Raw Material , Store & Spares in Indian Projects	49,298,756	80,177,241
	933,759,430	**1,405,380,474**

7. EXPENDITURE IN FOREIGN CURRENCY

	2010-11 (Rs.)	2009-10 (Rs.)
a. Expenditure incurred at overseas contracts.	931,662,860	889,657,273
b. Travelling Expenses, Consultancy and others	4,295,609	4,416,451
	935,958,469	**894,073,724**

8. (a) MANAGERIAL REMUNERATION

	2010-11 (Rs.)	2009-10 (Rs.)
Salaries and Perquisites	109,693,600	47,746,785
Contribution to Provident Fund	37,440	37,440
	109,731,040	**47,784,225**

(b) MANAGERIAL REMUNERATION AND COMPUTATION OF NET PROFIT UNDER SECTION 349 OF THE COMPANIES ACT, 1956

	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
Net Profit before Taxation	10,289.46	10,827.93
Add:		
Directors' remuneration charged to Profit & Loss Account	1,097.31	477.84
Commission payable to non-executive directors	80.00	66.00
Directors' sitting fees	9.30	8.15
Loss (Profit) on sale of Fixed Assets	(34.20)	(82.14)
Net Profit for the purpose of Section 198 of the Companies Act,1956	11,441.86	11,297.79
Maximum permissible remuneration to Whole Time Directors under Section 198 of the Companies Act,1956 @ 10% of profit computed above	1,144.19	1,129.78
Maximum payable as per Service agreements / Terms of appointment	1,097.31	477.84
Maximum permissible remuneration to non-executive directors under Section 198 of the Companies Act,1956 @ 1% of profit computed above	114.42	112.98
Maximum payable as decided by the Board of Directors	80.00	66.00

The above figure do not include contribution to gratuity fund and provision of compensated absence, since the same is provided for on actuarial valuation basis for the company on a whole.

9. AUDITOR'S REMUNERATION (*)

	2010-11 (Rs.)	2009-10 (Rs.)
Audit Fees	2,279,164	2,243,408
Tax Audit Fees	620,438	631,468
Others	1,631,569	873,862
	4,531,171	**3,748,738**

(*) including service tax

10. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD (AS) 7 (REVISED)

		2010-11 (Rs.)	2009-10 (Rs.)
i	Contract revenue recognised for the financial year	**12,800,063,548**	11,621,255,437
ii	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) as at end of the financial year for all contract in progress as at that date	**20,567,692,801**	18,798,230,833
iii	Amount of Customer Advance outstanding for contracts in progress as at end of the financial year	**1,752,085,250**	2,037,250,483
iv	Amount of retentions due from customers for contracts in progress as at end of the financial year	**461,656,706**	763,175,665

11. The company operates in one business segment i.e. construction. Since the company is engaged in execution of work in different countries, primary segment reporting is performed based on geographical location of operations

	2011			
Segments	Indian (Rs.)	Overseas (Rs.)	Un-allocated (Rs.)	Total (Rs.)
Revenue				
Sales & Services	11,715,033,712	1,126,721,918	-	12,841,755,630
Total revenue	**11,715,033,712**	**1,126,721,918**	**-**	**12,841,755,630**
Segment Result	**2,271,409,409**	**413,689,435**	-	**2,685,098,844**
(Profit Before Interest & Tax)				
Unallocable Expenditure	-	-	581,287,424	581,287,424
Interest	-	-	-	1,164,626,059
Profit Before Taxation	-	-	-	939,185,360
-Current Tax	-	-	-	481,079,864
-Deferred Tax	-	-	-	(12,550,774)
Tax adjustment of earlier years				42,299,884
Profit After Taxation	-	-	-	**428,356,387**
Other Segment Information				
Segment Assets	23,644,798,809	1,665,373,728	-	25,310,172,537
Unallocable Assets	699,478,462	-	-	699,478,462
Total	**24,344,277,271**	**1,665,373,728**	-	**26,009,650,999**
Segment Liabilities	5,806,290,350	393,533,242	-	6,199,823,592
Unallocable Liabilities	13,652,117,787	975,807	-	13,653,093,594
Total	**19,458,408,137**	**394,509,049**	**-**	**19,852,917,186**
Capital Expenditure	2,514,159,583	1,756,620	-	2,515,916,203
(Including Capital Work-in-progress)				
Depreciation and amortization Expenses	354,760,390	26,341,382	-	381,101,772

12. DISCLOSURES OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(i) Associate Companies

Jeet Properties (P) Ltd.
Bags Registry Services (P) Ltd.
Case Cold Roll Forming Limited
Case Components Limited
Case Component Industries Pvt. Limited
S.J. Leasing & Investment (P) Limited
Frontline Innovation (P) Ltd.
Tel Systems Ltd
Sonar Infosys Ltd
Amaltas Consulting P Ltd
Pelican Educational Resources Ltd
Pelican Vocational Education P Ltd
FOS Laser SPA Pvt Ltd
Grace Developer LLC
Frontier Services LLC
Kims Wardak Diagnostic Centre Pvt Ltd,Afghanistan
Mudit Cement Pvt. Ltd.
BSC-CandC-Kurali Toll Road Ltd,
BSC-CandC- JV Nepal (P) Ltd
BSC-C&C (Oman) LLC
C & C Corporate Services Ltd
Mokama – Munger Highway Ltd
North Bihar Highway Limited
Patna Bakhtiyarpur Tollway Limited
Fidere Investments Limited
Mainpuri Power Transmission Pvt. Ltd
Kinder Plume Education Pvt. Ltd
Arrow Distribution (Goa) Private Ltd
Ruhani Realtors Pvt Ltd
A Export Pvt Ltd
C&C Logistics Limited

(ii) Joint Ventures

BLA-CISC-C&C 'JV'
BSC-C&C 'JV'
C & C-SE "JV"

(iii) Subsidiary Companies

C and C Projects Ltd
C & C Realtors Ltd
C & C Towers Ltd (*)

(iv) Key Managerial Personnel Board of Directors

Mr. Gurjeet Singh Johar
Mr. Charanbir Singh Sethi
Mr. Rajbir Singh
Mr. Sanjay Gupta
Mr. Amrit Pal Singh Chadha
Mr. Rajendra Mohan Aggarwal

(v) Relatives of Key Managerial Personnel

C.S. Sethi (HUF)
Ms.Suneeta Singh Sethi
Ms.Sumeet Johar
Ms.Indrajit Kaur Chadha
Ms.Sukvinder Kaur
Mr. Jaideep Singh Johar
Gurjeet Singh johar (HUF)
Ms. Divya Johar
Ms. Simrita johar
Mr. Lakhbir Singh Sethi
Ms. Jessica Sethi
Mr. Jwala Prashad Gupta
Mr. Harvinder Pal Singh Chadha

(*) Stepdown Subsidiary Company

(vi) Summary of transactions during the year:

	Associate Companies (Rs.)	Joint Ventures (Rs.)	Key Managerial Personnel (Rs.)	Relatives of Key Managerial Personnel (Rs.)	Subsidiary (Rs.)	Total (Rs.)
Income						
- Sales and Services	89,816,940	5,372,150,050	-	-	326,975,626	5,788,942,616
- Other income	-	13,889,597	-	-	-	13,889,597
Expenditure						
Material Purchase and Project Execution Expenses	64,757,045	3,792,289,848	-	-	-	3,857,046,893
- Salaries and wages	-	563,003,843	109,731,040	2,129,400	-	674,864,283
- General and Administration	116,837,210	234,853,273	-	900,000	-	352,590,483
expenses						
- Depreciation	-	180,059,955	-	-	-	180,059,955
Interest	-	103,610,753	-	-	-	103,610,753
Dividend paid	14,899,385	-	22,023,218	3,448,902	-	40,371,505
Purchase/(sale) of fixed assets	-	(41,802,868)	-	-	(172,527,147)	(214,330,015)
Investment as on 30.06.2011	477,824,360	-	-	-	-	477,824,360
Application Money for Equity share (pending allotment)	-	-	-	-	-	-
Balance outstanding at						
The year end:						
- Accounts receivable	148,664,482	-	-	-	-	148,664,482
- Advances recoverable	30,345,658	-	-	-	1,351	30,347,009
- Current liabilities	114,967,466	-	-	-	118,642,982	233,610,448
Guarantees provided						-
- Bank Guarantee	-	4,675,400,000	-	-	-	4,675,400,000

Figures in joint ventures represent our share in Joint Venture as per proportionate consolidation method.

13. Disclosure as per clause 32 of the Listing Agreement.

Loans and Advances in the nature of Loans given to Subsidiaries, Associates and others:

Name of the Company	Relationship	Amount Outstanding as at 30.06.2011 Rs. Lacs	Amount Outstanding as at 30.06.2010 Rs. Lacs	Maximum balance outstanding during the year Rs. Lacs	Investment In Shares of the Company No. of Shares
Case Components Ltd	Associate	217.04	-	1000.00	-
Mudit Cement Pvt Limited	Associate	86.42	-	202.71	-
C AND C Projects Limited	Subsidiaries	-	0.56	0.56	56304428
C&C Realtors Ltd	Subsidiaries	-	5. 55	5.55	94968294
	TOTAL	**303.46**	**6.11**	**1208.82**	

14. Disclosure as per Accounting Standard-AS 21 on Consolidated Financial Statements.

Details of subsidiary companies included in consolidation

Name	Country of incorporation	Ownership interest	Relationship	Accounting year closing date *
C&C Projects Limited	India	wholly owned	subsidiary	31st March
C&C Realtors Limited	India	wholly owned	subsidiary	31st March
C&C Towers Limited	India	wholly owned	step down subsidiary	31st March

*where Accounting year of subsidiary company is different than the parent company

15. DISCLOSURES IN RESPECT OF JOINT VENTURES

(a) List / Financial interest in Joint Ventures

(RS. IN LACS)

Name of the Joint Venture	Description of Interest	% of Co's Interest	Company's share of				
			Assets	Liabilities	Income	Expenses	Tax
			As at 30th June 2011		For the year		
BSC-C&C 'JV'	Jointly Controlled Operations (Construction of roads)	50%	69,749.78	68,731.46	51,631.88	46,537.33	2,921.13
			(41,556.14)	(41,556.14)	(53,655.33)	(44,479.30)	(1,424.76)
BLA-CISC-C&C 'JV'	Jointly Controlled Operations (Construction of roads)	50%	25.63	25.63	-	-	-
			(0.56)	(0.56)	-	-	-
C&C-CASE COLD JV	Jointly Controlled operation of transmission projects	50%	0.34	0.34	-	3.18	-
			-	-	-	-	-
C&C SE JV	Jointly Controlled Operations (Construction of Water, Sewerage pipe line)	55% & 80%	2,025.56	2,025.56	1,490.90	1,409.43	-
			(601.41)	(601.41)	(779.99)	(575.44)	(13.21)
ICI - C&C JV	Jointly Controlled Operations (Construciton of roads and transmision)	40% &50%	1,209.96	1,209.96	598.72	550.51	15.33
BSC-C&C JV NEPAL PVT LTD	Jointly Controlled Operations (Crusher plant)	50%	904.37	15.54	-	237.74	-
			(1,499.42)	(1,499.42)	-	-	-
BSC-C&C KURALI TOLL LTD	Jointly Controlled Operations (BOT- Road Project)	49%	18,835.39	14,891.10	-	-	
			(19,269.55)	(19,269.55)	-	-	-
Mokama -Munger Highway Ltd	Jointly Controlled Operations (BOT- Road Project)	50%	3,979.59	145.30	-	-	-
			-	-	-	-	-
North -Bihar Highway Ltd	Jointly Controlled Operations (BOT- Road Project)	50%	5,534.12	2,744.70	-	-	-
			-	-	-	-	-
Patna - Bakthiyar pur Tollway Ltd	Jointly Controlled Operations (BOT- Road Project)	50%	46.05	43.55	-	-	-
			-	-	-	-	-
Total			102,310.79	89,833.14	53,721.50	48,738.19	2,936.46
			(62,927.08)	(62,927.08)	(54,435.32)	(45,054.74)	(1,437.97)

16. As per information available with the Company, the Sundry Creditors do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act"

17. Cash and Bank Balance: Details of balances kept with non-scheduled banks as on balance sheet dates and the maximum balances kept with non-scheduled banks during the period / year are as follow:

Balance with non-scheduled banks	2010-11 (Rs.)	2009-10 (Rs.)
In Current Accounts:		
Global Bank Ltd	2,459	81,712
Nepal Bank	3,811	16,686
Kabul Bank	4,129	1,952,146

Maximum balance held in non-scheduled banks During the period / year	2010-11 (Rs.)	2009-10 (Rs.)
In Current Accounts:		
Global Bank Ltd	314,734	408,568
Nepal Bank	3,811	200,623
Kabul Bank	27,203,807	37,279,921

18. COMPUTATION OF BASIC & DILUTED EARNINGS PER SHARE (EPS)

	2010-11 (Rs.)	2009-10 (Rs.)
(a) Basic EPS		
Profit after tax as per Accounts	428,356,387	623,628,716
Less: Preference shares Dividend and Dividend Distribution Tax	58,113	-
Profit attributable to equity shares	428,298,274	623,628,716
Weighted Average No. of Equity Shares	23,389,260	19,370,150
Face Value of Equity Shares	10.00	10.00
Basic EPS	18.31	32.20
(b) Diluted EPS		
Profit after tax as per Accounts	428,356,387	623,628,716
Profit attributable to potential equity shares	428,356,387	623,628,716
Weighted Average No. of Equity Shares	23,389,260	19,370,150
Add: Weighted average No. of potential equity shares on conversion of Preference Shares	1,602,740	-
Weighted Average No. of outstanding shares for diluted EPS	24,992,000	-
Face Value of Equity Shares	10.00	10.00
Diluted EPS	17.14	32.20
EPS has been calculated as per the provisions of Accounting Standard AS-20		

19. SUNDRY DEBTORS INCLUDES:-

Amount due from Mudit Cement Ltd an Associates Company in which the Directors of the Company are interested Rs.1486.64 Lacs (Rs. 619.11 Lacs) .The Maximum amount outstanding at any time during the year Rs. 1486.64 (Rs.965.39 Lacs)

20. Change in Depreciation policy:

As prudential accounting policy in respect of the company's projects in Afghanistan, the company had been providing depreciation at higher rates than the rates prescribed in the Schedule XIV of the Companies Act, 1956, on the plant and machineries and tippers and tractors for geopolitical reasons.

The rates at which depreciation provided are as under:

- Plant & Machineries (crusher, WMM, HMP & batching plant), tippers and tractors - Written off in 2 Years
- Plant & Machineries (others) - Written off in 7 Years

On reviewing the condition of the equipments, the management is of the opinion that the equipments are in good working condition and will give normal useful life, therefore, excessive depreciation already charged in the books of accounts in the past, has to be written back.

Accordingly, the company has recalculated depreciation on the equipments at the rates prescribed in the Companies Act, 1956 and excess depreciation provided up to 30th June, 2010 amounting to Rs 193,279,178/- has been written back as an "Exceptional Item" in the profit and loss account for the year.

The Change in policy has resulted in decrease in depreciation expense by Rs. 91,09,279/- for the year and increase in profit after depreciation by Rs. 91,09,279/-.

21. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS 15 (REVISED) "EMPLOYEES BENEFITS" DEFINED BENEFIT PLAN

		2010 - 2011 (Rs.)		2009 - 2010 (Rs.)	
		Gratuity	Leaves entitlement	Gratuity	Leaves entitlement
(i)	**Reconciliation of opening and closing balance of Deferred Benefit obligations:**				
	At the beginning of the Year	375.46	778.42	187.75	394.05
	Interest cost	29.07	60.22	13.14	27.58
	Past service cost	-	-	32.85	-
	Current service cost	178.88	255.64	152.40	392.40
	Benefits paid during the year	(17.79)	(46.89)	-	(19.88)
	Actuarial (Gain) / Loss	61.54	47.22	(10.68)	(15.73)
	At the closing of the year	627.16	1,094.61	375.46	778.42
(ii)	**Reconciliation of Opening and Closing balance of fair value of plan assets:**				
	Fund Status as at the beginning of the year	69.29	-	22.86	-
	Expected Return on Plan Assets	5.89	-	2.31	-
	Contribution	-	-	44.13	-
	Benefits paid - From the Plan Assets	(15.71)	-	-	-
	Actuarial (Gain) / Loss on Plan Assets	(1.30)	-	-	-
	Fair value of plan assets at year end	58.18	-	69.29	-
(iii)	**Actual gain / loss recognized:**				
	Actuarial (gain) / loss for the year- Obligation	61.54	47.22	(10.68)	(15.73)
	Actuarial (gain) / loss for the year- Plan Assets	1.30	-	-	-
	Total (gain) / loss for the year	62.84	47.22	(10.68)	(15.73)
	Actuarial (gain) / loss recognized during the year	62.84	47.22	(10.68)	(15.73)
	Unrecognized actuarial (gain) / loss at the end of the year	-	-	-	-
(iv)	**Amount recognized in the Balance Sheet:**				
	Present value of obligation at the year end	627.16	1,094.61	375.46	778.42
	Fair value of plan assets at year end	(58.18)	-	(69.29)	-
	Funding status	(568.98)	(1,094.61)	(306.16)	(778.42)
	Net assets (liability) recognized in the Balance Sheet	(568.98)	(1,094.61)	(306.16)	(778.42)
(v)	**Expense recognized in Profit & Loss Account:**				
	Current Service Cost	178.88	255.64	152.40	392.40
	Past service cost	-	-	32.85	-
	Interest Cost	29.07	60.22	13.14	27.58
	Expected return on plan assets	(5.89)	-	(2.31)	-
	Fund paid in earlier year	-	-	(22.86)	-
	Net actuarial (gain) / loss recognized in the year	62.84	47.22	(10.68)	(15.73)
	Expenses recognized in the profit & Loss Account	264.90	363.08	162.55	404.25
(vi)	**Movement in the liability recognized in the Balance Sheet:**				
	Opening liability	306.16	778.42	187.75	394.05
	Expense recognized	264.90	363.08	162.55	404.25
	Benefits paid during the year-Direct	(2.08)	(46.89)	-	(19.88)
	Contribution during the year	-	-	(44.13)	-
	Closing net liability at year end	568.98	1,094.61	306.16	778.42
(vii)	**Actuarial Assumptions:**				
	Discounting Rate (Per Annuam)	8.40%	8.40%	7.80%	7.80%
	Rate of increments in the salary	10%	10%	10%	10%
	Rate of return on plan assets	8.15%	-	8.50%	-
	Expected average outstanding service of the employees	30.94 Yrs	30.94 Yrs	32.06 Yrs	32.06 Yrs

22. HP FINANCE

Assets acquired on HP finance mainly comprise Tippers and Tractors, Excavators, Motor Graders, Crushers and Cars. The HP finance agreements have a primary period which is fixed and non cancellable. There are no exceptional/ restrictive covenants in the HP agreements.

The minimum EMIs and present value of minimum EMIs as on 30th June, 2011 in respect of assets acquired under HP finance are as follows

RS. IN LACS

		Minimum payment	Present Value of Minimum payment
i.	Payable not later than 1 year	2369.75	1950.29
ii.	Payable later than 1 year and not later than 5 years	1687.24	1523.04
	Total	**4056.99**	**3473.33**

23. Some of Sundry Debtors, Creditors, Loans & Advances, are subject to confirmation.

24. Previous year figures (including those given in bracket) have been regrouped, rearranged and reclassified,wherever considered necessary, to make them comparable to the current year figures.

Signatures to Schedule 1 to 18

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman
DIN-00070530

Charanbir Singh Sethi
Managing Director
DIN-00187032

Rajbir Singh
Director
DIN-00186632

Sanjay Gupta
Director
DIN-00221247

A.P.S. Chadha
Director
DIN-00065139

Deepak Dasgupta
Independent Director
DIN-00457925

Anand Bordia
Independant Director
DIN-00679165

Tarlochan Singh
Independent Director
DIN-00836456

Ramesh Chandra Rekhi
Independent Director
DIN-00749669

Nirmal Chander Vij
Independent Director
DIN-03278733

Arun Kumar Purwar
Nominee Director
DIN-00026383

Tapash K Majumdar
CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2011 (RS. IN LACS)

		2010-11		2009-10	
A	**NET CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		**9,391.85**		**10,155.86**
	Depreciation	3,793.33		4,553.11	
	Amortisation & Misc. Expenses Written Off	21.63		(66.42)	
	Dividend Income	(17.57)			
	Depreciation Written back	(1,932.79)			
	(Profit) / Loss on Sale of Fixed Asets	(34.20)			
	Interest/Finance Charges	11,646.26		7,352.19	
	Exchange gain/loss on Non Integral branch	-	13,476.66	(686.51)	11,152.37
	Operating Profit before Working Capital Changes		22,868.51		**21,308.23**
	(increase)/Decrease in Sundry Debtors	(15,185.51)		15,812.91	
	(increase)/Decrease in Fixed Deposit	1,566.74		1,034.57	
	(increase)/Decrease in Inventories	(20,586.73)		(52,488.96)	
	(increase)/Decrease in Loans and Advances	1,597.86		8,372.82	
	increase/(Decrease) in Current Liabilities	187.26		10,295.11	
	increase/(Decrease) in Provision	579.78	(31,840.60)	485.62	(16,487.94)
	Cash Generated from Operations		(8,972.09)		4,820.29
	Income Taxes Paid		4,558.61		2,261.28
	Cash Flow from Operating Activities		**(13,530.70)**		**2,559.01**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	(Increase)/Decrease in Investment	(4,772.00)		(2,218.01)	
	Share Application money	(426.32)		426.32	
	Purchase of Fixed Assets (Including Capital work in progress)	(25,159.16)		(21,194.81)	
	Sale of Fixed Assets	2,363.22		232.29	
	Dividend received	17.57			
	Net Cash Flow from investing Activities		**(27,976.69)**		**(22,754.20)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceed from Share Capital	5,000.00		512.93	
	Share Premium	-		11,847.26	
	Proceed from Government Grant	192.98		1,076.12	
	Proceeds from Secured Loans	32,199.21		26,881.04	
	Repayment of Secured Loans	(10,233.47)		(22,107.98)	
	Proceeds from working capital/short term loans	25,171.86		11,214.73	
	Interest /Finance Charges Paid	(11,646.26)		(7,352.19)	
	Dividend & Dividend tax Paid	(750.03)		(587.46)	
	Net Cash Flow from Financing Activities		**39,934.28**		**21,484.45**
	"NET INCREASE/(DECREASE) in Cash and Cash Equivalents"		**(1,573.11)**		**1,289.26**
	"CASH AND CASH EQUIVALENTS, at the beginning of the year"		**2,828.22**		**1,538.96**
	"CASH AND CASH EQUIVALENTS, at the end of the year"		**1,255.11**		**2,828.22**

The cash Flow Statement has been prepared under Indirect Method as set out in Accounting Standard-3 of the Companies (Accounting Standard) Rules, 2006.
This is the Cash Flow Statement referred to in our report of even date.

For A S G & Associates
Chartered Accountants

Amar Jeet Singh
Partner
M.No. 089285

Place: Gurgaon
Date : 26th August, 2011

For and on behalf of the Board of Directors

Gurjeet Singh Johar Chairman DIN-00070530	**Charanbir Singh Sethi** Managing Director DIN-00187032	**Rajbir Singh** Director DIN-00186632	**Sanjay Gupta** Director DIN-00221247
A.P.S. Chadha Director DIN-00065139	**Deepak Dasgupta** Independent Director DIN-00457925	**Anand Bordia** Indepandent Director DIN-00679165	**Tarlochan Singh** Independent Director DIN-00836456
Ramesh Chandra Rekhi Independent Director DIN-00749669	**Nirmal Chander Vij** Independent Director DIN-03278733	**Arun Kumar Purwar** Nominee Director DIN-00026383	**Tapash K Majumdar** CFO

NOTES

C & C CONSTRUCTIONS LTD.
Partners in Nation Building

Plot No. 70, Sector 32
Gurgaon-122001 (Haryana)

Phone + 91 124 4536666
Fax +91 124 4536799
Email candc@candcinfrastructure.com