

Directors' Report

Dear Shareholders,

The Board of Directors hereby submit the 22nd annual report along with the audited financial statements of your Company for the financial year ended 31st March, 2018.

STATEMENT OF COMPANY AFFAIRS

FINANCIAL RESULTS

Your Company's financial performance during the financial year 2017-2018 is summarized below:-

(` in Crore)

	2017-18	2016-17
Revenue from Operations	943.29	948.62
Total Income	950.20	994.02
Profit before exceptional items	-34.32	48.56
Exceptional items	76.00	-0.72
Profit after exceptional items but before Tax	41.68	47.84
Tax Expenses	0.18	11.62
Profit after Tax	41.50	36.22
Total Comprehensive Income for the year	41.50	36.44
Earnings per share (face value of ` 10/- each) (EPS)		
- Basic	16.31	14.23
- Diluted	16.31	14.23

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves of the Company.

DIVIDEND

In view of the accumulated losses the Board regrets its inability to declare any dividend for the financial year ended 31st March, 2018.

OPERATIONAL PERFORMANCE

The total income of the Company on a Standalone basis stood at INR 950.20 crores for the financial year ended on 31st March, 2018 as compared to the total income of INR 994.02 crores for the previous financial year ended on 31st March, 2017. The Company posted a Net Profit of INR 41.50 crores for the financial year under review as against the Net Profit of INR 36.22 crores for the previous financial year ended on 31st March, 2017.

The past year has continued to be challenging for the Company. The progress with regard to construction has been slow. This is on account of lingering issues related to global and domestic slowdown, problems with land acquisition, environmental clearances, and also the stressed financial position of the Company.

Corporate Debt Restructuring (CDR) has been scrapped since Feb 12, 2018. Though we are working towards steering the Company out of cash flow stress, restrained banking facilities and issues related thereto, order intake remains sluggish, since many of the stalled projects are yet to be kick-started. Projects

already awarded are generally progressing slow due to various continuing problems on ground, which remain unresolved over a period of time leading to cost escalations which remain unpaid. All these factors combined, have led to a vicious cycle culminating in a pile up of debt and high consequential costs.

To overcome the challenging business environment, the Company is rigorously undertaking the steps to realization of claims, selective settlement of past debts with its bankers, cost optimization, monetization of SPV assets and carefully bidding for new jobs offering good margins and better synergy apart from focusing on streamlining the internal organization and processes with emphasis on leveraging the Company's existing core competencies.

The company has undergone debt restructuring in the year 2013 under the framework of Corporate Debt Restructuring (CDR) of Reserve Bank of India which has since been scrapped by RBI in February 2018. The liquidity position of the Company is bound to turn around in view of steps undertaken by the Government and the Company. The Company is optimistic to regularize its banking facilities soon.

MATERIAL CHANGES AND COMMITMENTS

On the request of the Company, the State Bank of India (SBI) has agreed towards full and final settlement of all the dues of the Company to the Bank for a total sum of INR 280.00 Crores, payable in stages over next one year.

Further, C & C Myanmar Road Constructions Company Ltd. was incorporated as 100% Subsidiary of the Company as per



the laws of Myanmar on 21.09.2017.

The BLPL-C & C, JV has been awarded a project by Govt. of Bihar for execution of Restoration and Lining work of Sone western Link canal for the contract price of INR 145,12,56,613.00 (Rupees One Hundred forty five crores twelve lakhs fifty six thousands six hundred thirteen only) on EPC Mode. The share of C & C in this JV is 72.50%.

FRAUDS REPORTED BY THE AUDITORS, IF ANY

There are no frauds reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013, other than those which are reportable to the Central Government and no fraud has been reported to the Central Government.

SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has seven Subsidiaries and two Associate companies within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively. There has been no material change in nature of business of the Subsidiaries and Associates.

In accordance with the Ind AS 110 on Consolidated Financial Statements read with Ind AS 28 for Investments in associates and in Joint ventures, the audited Consolidated Financial Statements for financial year ended 31st March, 2018 form part of the Annual Report and Financial Statements.

Pursuant to Proviso to Section 129(3) of the Act, a statement as per Form AOC-1, containing the salient features and brief details of performance and financials of the Subsidiary, Associate Companies and Joint Venture, for the financial year ended 31st March, 2018 is attached to Financial Statements of the Company.

The contribution of the Subsidiaries to overall performance of the Company are as under:

(Amt in `)

Subsidiary	C&C share profit consider in Balance sheet
C&C Projects Ltd.	-12365843
C&C - Tower Ltd.	-77544406
C&C - Tolls Ltd.	0
C&C - Western UP Expressway Ltd.	-50860625
C&C Realtors Ltd.	-103600
C&C - Oman LLC	29397457
C&C Myanmar Road Constructions Ltd.	0

The Board has adopted a policy for determining material subsidiaries of the Company, as per the provisions of corporate governance regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The said policy is hosted at the Company's website at the link <http://www.candcinfrastucture.com/images/policies/Policy%20on%20Material%20Subsidiaries.pdf>

CASH FLOW ANALYSIS

In conformity with the provisions of the SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, the cash flow statement for the financial year ended 31st March, 2018 is

included in the Financial Statement.

SHARE CAPITAL

No changes have occurred in the Share Capital Structure of the Company during the period under review.

DIRECTORS AND KEY MANGERIAL PERSONNEL

Pursuant to provisions of Section 152 of the companies Act, 2013 Mr. Rajbir Singh (DIN 00186632) retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to provisions of Section 149 of the Act, all the Independent Directors of the Company gave declarations to the Company that they meet the criteria of independence as specified under Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief resume of Director proposed to be re-appointed and other relevant information have been furnished in the Notice convening the Annual General Meeting. Appropriate resolution for his re-appointment is proposed for approval of the members at the Annual General Meeting.

Further during the period under review Gen. N.C. Vij, independent director had resigned from the directorship of the Company w.e.f. 05.04.2018.

The Board places on record its appreciation for the valuable guidance and services rendered by him during his association with the Company.

Further, the Company has to appoint two Independent Directors and one Woman independent director in order to comply with the provisions regarding Composition of Board of Directors under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the Company also has to appoint Chief Financial Officer in pursuance of provisions of Section 203 of the Companies Act, 2013.

The Company is making necessary efforts to fill the vacancies.

MEETINGS OF THE BOARD

The Board of directors duly met five (5) times during the period under review, the details of which are given in Corporate Governance Report annexed to this report.

The details of the familiarization Programmes for Independent Directors are hosted on Company's website at the link <http://www.candcinfrastucture.com/images/termsofAppointment/Familiarisation%20Programme.pdf>.

COMMITTEES OF THE BOARD

Currently, the Board has six Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee and Finance Committee. A detailed note on the composition of the Board and its committees are provided in the Corporate Governance Report section of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors hereby state that:

- (a) in preparation of annual accounts, the applicable Ind AS have been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that financial year ;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Company has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company

BOARD EVALUATION

Pursuant to provisions of Companies Act, 2013 and Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee laid down the criteria for performance evaluation of the Individual Directors, the Board and its Committees. Accordingly, the performance of the Board, its Committees and individual Directors were evaluated as per the Guidance Note issued by SEBI and also by considering the contribution of the individual directors to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, relationship with fellow board members, willing to devote time and effort to understand the Company and its business etc.

Details of Company's policy on Directors appointment and remuneration including criteria for determining qualifications etc. have been given under Corporate Governance Section.

As per Schedule IV of the Act, Independent Directors of the Company at a separate meeting, evaluated the performance of non-independent directors, the Board as a whole and the Chairman of the Company taking into account the views of executive and non-executive directors. The Independent Directors have also reviewed the quality, quantity and timelines of flow of information between management of the Company and the Board, for the effective performance of the board.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

At the 21st Annual General Meeting held on September 18, 2017, M/s Bedi Saxena & Co., Chartered Accountants (FRN:

000776C), was appointed as statutory auditors of the Company to hold office till the conclusion of 26th AGM to be held in the year 2022.

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

SECRETARIAL AUDITOR

M/s. Santosh Kumar Pradhan, Practicing Company Secretaries (C.P.No.: 7647), was appointed to conduct the secretarial audit of the Company for the financial year ended 31st March, 2018, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

The secretarial audit report i.e. MR-3 forms part of the Annual Report as **Annexure 1** to the Board's report. On the observations made in the Secretarial Audit Report, the proper steps are being taken by the Management so as to comply with the provisions.

Further, as per observation in the report, the Company is in search of Woman Director, requisite no. of Independent Directors and CFO and hope these persons will be appointed very shortly.

COST AUDITOR

As per provisions of Section 148 of the Act read with Rules made there under, M/s. Pradeep Sud & Co., Practicing Cost Accountants (FRN. 100626) had been appointed as Cost Auditor for the purpose of auditing the Cost accounting records maintained by the Company for the financial year 2017-18.

DEPOSITS

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

EXTRACT OF ANNUAL RETURN

An extract of the annual return in the prescribed format is appended as **Annexure 2** to the Board's report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

There are no significant and material orders passed by the regulators or tribunals impacting the going concern status and Company's operations in future.

No cases were filed pursuant to the Sexual Harassment of Women at work Place (Prevention, Prohibition and Redressal) Act, 2013, during the period under review.

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

The Company's core activity is civil construction, which is not energy intensive. However, your Company takes every effort to conserve the usage of power at its sites and offices.

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

The expenditures and earnings in foreign currency are as under:



Expenditures in foreign currency including CIF value of Imports
= Rs.1,11,82,060/-

Earnings in foreign currency including Export Turnover
=Rs.373,90,82,062/-

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate report on the Management discussion and analysis, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, forms a part of the annual report.

CORPORATE GOVERNANCE

In pursuance of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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 regulation also forms a part of the annual report.

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted the CSR committee to formulate, implement and monitor the CSR Policy of the Company. However as the Company does not have average net profits for the three immediately preceding financial years as per section 198 of the Companies Act, 2013, the Section 135(5) of the Act pertaining to spending of 2% of average net profits of the Company for immediately preceding three financial years and disclosure required to be given under Section 135(5) of the Act and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable, to the Company, for the financial year 2017-18.

PARTICULARS OF EMPLOYEEES

A statement containing the information required under Section 197(12) of the Companies Act, 2013, and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of the Board's report as **Annexure 3**.

PARTICULARS OF LOANS, INVESTMENTS AND GURANTEES

The details of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are available and form part of the Notes to the financial statements.

RELATED PARTY TRANSACTIONS

As per the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing obligations and Disclosure requirement) Regulation, 2015, the Company has formulated a policy on Related Party Transactions to ensure the transparency in transactions between the Company and related parties. The said RPT Policy is also available at Company's website at the link <http://www.candcinfrastructure.com/images/policies/Related%20party%20transaction%20policy.pdf>. There has been no change in the Related Party policy of the Company.

All Related Party Transactions entered by the Company during the financial year under review were in ordinary course of business and on Arm's length basis.

RISK MANAGEMENT

The Company has established Risk Management process to manage risks with the objective of maximizing shareholders value. The details of various risks that are being faced by the Company are provided in Management Discussion and Analysis Report, which forms part of this Report.

WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy containing the mechanism as required under Section 177(9) of the Act and Regulation 22 of the SEBI (Listing obligations and Disclosure requirement) Regulation, 2015 for directors and employees to report the genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. Protected disclosures can be made by the employees of the Company and can also have access to the Chairman of Audit Committee.

The Whistle Blower Policy adopted by the Board has been hosted on Company's website at the link <http://www.candcinfrastructure.com/images/policies/Whistle%20Blower%20Policy.pdf>.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has, during the period under review, transferred a sum of ` 1,20,070/- to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount represents the unpaid/unclaimed dividend for the financial year 2009-10.

CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted a Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 for redressing the complaints of Women.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation towards bankers, clients and all the business associates for their continuous support to the Company and to the shareholders for the confidence reposed in the Company management and look forward for the same in greater measure in the coming years. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

By order of the Board
For **C&C Constructions Limited**

Date: 14.08.2018
Place: Gurugram

Gurjeet Singh Johar
Chairman
DIN: 00070530