

knowing the road **ahead**



C & C CONSTRUCTIONS LTD.

Annual Report **2007-2008**

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Date of Annual General Meeting: 27th December, 2008

Venue: Air Force Auditorium, Subroto Park, New Delhi-110 010

Time: 10.00 A.M.

knowing the road **ahead**



C & C CONSTRUCTIONS LTD.

At C & C, we believe in the human spirit that forever seeks
a future marked by improvement and innovation.

Opportunity. Connectivity. Prosperity.

These are the cornerstones that govern our business direction
and operating philosophy. We work with our stakeholders
towards building a better world where everyone has the means
to pursue aspirations, and economic wellbeing is not the privilege
of a few but that of every individual.

Today, we are building roads, highways and airports; setting up
power transmission networks, water and sewerage treatment
facilities and laying out telecom cables. We are at work,
with the firm belief that it is only with foresight and a commitment
to excellence that we can create a world that is truly special,
a world that we can all proudly call home.



connecting destinations empowering dreams

ROADS & HIGHWAYS

India has an extensive road network of 3.3 million Kms- the second largest in the world. Roads carry about 61 % of the freight and 85 % of the passenger traffic. Highway/ Expressways constitute about 66,000 Kms (2 % of All Roads) and carry 40 % of the road traffic.

The Government of India spends about Rs.18,000 Crores (US\$ 4 billion) annually on road development. It is planning to increase spends on road development substantially, with funding already in place.

An Annual Growth in this sector is projected at 12-15 % passenger traffic, and 15-18 % for cargo traffic. The ambitious National highway development Project (NHDP) of the Government is at an advanced stage of implementation. Key sub-projects under the NHDP include: The Golden Quadrilateral (GQ-5846 Kms of 4 lane highways) North-South & East-West Corridors (NSEW-7300 Kms of 4 lane highways) Program for 4-laning of about 14,000 Kms of National Highways is underway. The Rs. 41,200 Crores (US \$ 5 billion) project plans to lay 6 lane roads over 6,500 Kms of National Highways on the Design Build Finance and Operate(DBFO) basis – in Golden Quadrilateral and other high traffic stretches.

We at C & C see massive opportunity in the emerging scenario. With our experience and expertise, we feel confident about handling the challenge and doing our best for the nation.

Areas of Expertise: State & National Highway • City Roads • High Capacity Transport Corridors • Bridges & Culverts • Highway Safety System Operation & Maintenance



re-building a nation giving reasons to hope

AFGHANISTAN

Our ability to execute projects in difficult operating conditions in a timely manner has been proven time and again.

Sustained growth of our Afghanistan operations has built high levels of credibility regarding our construction acumen. Our Afghanistan operations cater to projects that are funded by agencies such as USAID, World Bank, ADB and are executed through international contractors such as Louis Berger Inc. These projects fall within the ambit of "Rebuilding Afghanistan" program which would continue up to FY 09.

Acumen in sourcing and maintaining supply chain for raw material and achieving benefits of backward integration is also an area of expertise.

A highly qualified management team and experienced employee base is the basis of our competitive advantage. We have more than 1100 employees including Engineers, MBAs and CAs.

Ownership of high end equipment such as crushers, excavators, cranes, batching plants, pavers, etc. gives us an asset base stands over Rs. 2000 million. Ownership of such high end equipment enables quick mobilization besides ensuring continuous availability and giving us a cutting edge over competition.

flying high

BUILDING AIRPORTS

At C & C, we realize that the building of airports is critical to the infrastructural growth of a nation. We have always put our best foot forward on this front. Our experience in making roads, developing townships and campuses and laying down electricity cables has helped us acquire a high degree of expertise in the field. We have already completed the construction of several important runways and more are in the making.

Major Projects Executed in India and abroad

PROJECT NAME	NAME OF THE EMPLOYER	CONTRACT VALUE (RS. IN MILLION)	MONTH OF COMPLETION
RUNWAYS			
Resurfacing of existing runway, Taxi track and Extension & Construction of runway, Taxi tract & Apron, Amritsar	Airport Authority of India	271.00	Nov, 2003
Extension & Strengthening of Runway, Calicut Airport.	Gayatri Projects Ltd.	68.80	March, 2002
Extension of Runway by 5000 feet (1524.39 Meters), Port Blair Airport.	B. Seenaiah & Co. (Project) Ltd.	407.30	Jan, 2002





taking power to the people

POWER TRANSMISSION

Over 90,000 MV of new generation capacity is required over the next seven years in India. Corresponding investment is required in transmission and distribution networks. The implementation of key reforms is likely to foster growth in all segments. Unbundling of vertically integrated SEBs, – “Open Access” to transmission and distribution network is in process with distribution circles set to be privatized. Tariff reforms are also on the cards.

Transmission networks ventures are expected to add 60,000 Circuit Kms of transmission network by 2012. Bidding for the privatization of distribution in thirteen states, those that have unbundled/corporatised their State Electricity Boards, is expected to commence over the next 2-3 years.

In all, a total investment opportunity of about US \$ 200 billion over a seven year horizon, awaits those with expertise in the field.

connecting people

TELECOM CABLING

C & C has already executed over 10 prestigious orders for laying optical fibre cables for clients like Bharti Infotel Limited and Tata Teleservices Ltd. Our diverse expertise and talent enable us to offer to our clients the complete range of Engineering, Procurement and Construction services in this sector.

Areas of Expertise: Optical Fiber Cable (OFC) backbone Projects
Tower Foundation and Erection • DG Foundation & Installation





providing life's essentials

WATER & SANITATION

Under the Union Budget 2007-08, allocation for the Rajiv Gandhi Drinking Water Mission has been enhanced from Rs. 4,680 Crores in 2006-07 to Rs. 5,850 Crores in 2007-08 and provision for total sanitation campaign has been increased from Rs. 720 Crores in FY 2006-07 to Rs. 940 Crores in FY 2007-08.

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December'05. The mission would try to address the issues relating to urban renewal, water sanitation and sewerage, solid waste management, Urban transport, etc.

A provision of Rs. 50,000 Crores has been agreed to as central assistance for this mission.

C & C Constructions Ltd. has already ventured into the water sanitation and sewerage sector, with its JV partner Sukhmani Engineers. We have made a small beginning with an order Rs. 730 Million from Ramky Infrastructure Limited for "providing, laying, testing and Trunk Sever and outfall Sewer" in Jabalpur.

The future promises a lot more.

Areas of Expertise: Water Sanitation Facilities
Providing and installing Sewerage System
Water Sewerage Treatment Plant
Irrigation Piping Network



Whole Time Directors

Mr. Gurjeet Singh Johar, Chairman (seated left)

Mr. Charanbir Singh Sethi, Managing Director (seated right)

Mr. Rajbir Singh (left extreme)

Mr. Sanjay Gupta (right extreme)

Mr. Amrit Pal Singh Chadha (3rd from left)

Mr. Rajendra Mohan Aggarwal (2nd from left)



THE CORPORATION

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 (1)
 Mr. Anand Bordia (2)
 Mr. Ramesh Chandra Rekhi (3)
 Mr. Kanwal Monga (4)
 Mr. Tarlochan Singh (5)
 Lt. Gen. Harbans Singh Kanwar (Retd.) (6)



Company Secretary cum Compliance Officer

Mr. Deepak Nathani

Auditors

ASG & Associates
 Chartered Accountants,
 74, Hemkunt Colony
 Opp. Nehru Place
 New Delhi-110048

Bankers

State Bank of India, New Delhi
 State Bank of Patiala, New Delhi
 Standard Chartered Bank, New Delhi
 State Bank of Hyderabad, New Delhi
 Indusind Bank, New Delhi
 ICICI Bank, New Delhi
 Barclays Bank, New Delhi
 DBS Bank Ltd., New Delhi
 The Hongkong and Shanghai Banking Corporation Ltd.
 New Delhi

Corporate Office

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

chairman's statement

Dear Shareholders,

It gives me great pleasure in sharing with you my thoughts today about a journey your company started 12 years ago. This journey was set off by five first generation entrepreneurs who had only little more than a passion to carve out a niche in the Indian Infrastructure space. The first major order was to do with an airport in Calicut, Kerala valued at Rs. 6 Crores. The latest order is for a road project in Punjab valued at over Rs. 575 Crores. This journey from Kerala to Punjab has been eventful. The road has not been without its share of pitfalls. There were challenges of project management, of capital management, of people management. Your company took these challenges head-on. With every challenge a lesson was learnt with every success a desire to excel was reinforced.

This relentless drive to take challenges and conquer them has become a motto and a way of life for your company. Your company has successfully managed many International projects in Afghanistan as also in state of Bihar. The wide range of terrain over which projects have been successfully executed by your company has given the confidence to treat every adversity as an opportunity.

The previous year has been unique. The global economy is in the grip of uncertainty. The fear of the unknown exists with a distinct possibility of a further meltdown of established entities and economies. Global stock markets are plunging to new lows.



This has had its reverberations in our country too. Tighter monetary policies have impacted the growth momentum of all sectors of our economy. On the domestic front there has been unbridled rise in commodity prices and inflation levels have reached levels not witnessed in a decade. Our own stock market has been seriously dented impairing the ability of corporates to raise long term funds for expansion. These are definitely challenging times.

As ever your company is well poised to take on these new challenges. The key impediments both external and internal to future growth have been clearly identified. These are rising commodity prices, increased finance costs, concentration of projects in a single location, over dependence on a single customer, sticking to a single vertical and doing business only with a single joint venture partner.

Your company has addressed all these issues.

- More than 81% of our order book is with price escalation clauses and of the remaining 19%, a major portion is with large operating margins sufficient to take care of all future price increases.
- Operational efficiencies are being built in with shorter working capital cycles along with sensible outsourcing of non critical capital equipment .This is likely to ease the pressure on debt raising and consequently the finance cost outlay.
- In the year 2007 more than half of the order book was from a single state of Bihar. Today Bihar accounts for only 20% .The balance 80% is spread over Punjab, Himachal Pradesh, Haryana, Delhi and overseas.

The customer base was NHAI centric in 2007; accounting for over 60% of our order book .Today NHAI accounts for only 25%.The rest is spread over customers funded by the World Bank, Asian Development Bank, along with customers executing projects under the Jawaharlal Nehru National Urban Renewal Mission, and customers executing BOT projects.

Your company has made a small beginning in entering into two new verticals. These verticals are water and sewerage segment and commercial buildings. Going forward your company should be able to contribute significant volumes in both these verticals.

The business with our joint venture partner contributed to 80% of our order book in 2007. As a natural process of growth the order book swelled to Rs. 1613 Crores and less than 45% is in joint venture. Your company will continuously strive to de-risk the business and make it more resilient and insulated to future shocks.

Financials and Business

Your company had a successful financial year 2007-08.The revenues were up 61% year on year to Rs. 533 Crores.The profit after tax also increased to Rs. 41 Crores.The Board of Directors have recommended a dividend of 27.5% which is 12.26% of the profit after tax.

There has been a decline in the EBITDA margins this year to 17.4% and also a decline of PAT margin to 7.67%.A large portion of this decline has to be attributed to change in the geographical sales mix. In the previous year high margin international business accounted for 35% of the total business. This year, it has dropped to a mere 11.59%.

Your company was successful in bagging new orders

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worth over Rs. 1035 Crores during the year under review. This represents an increase of Rs. 475 Crores over the previous year. These orders are expected to be executed over an average period of 30 months.

Organization

Your company has been built on strong foundations. Increasingly the world will become a global village. Global gyrations will increasingly have much stronger consequences on the national setup. It is therefore imperative to quickly adopt best in class practices across the organization. We had taken the ERP initiative in 2007. You will be pleased to note that your company is on schedule in implementing this initiative. Our implementing partner Price WaterHouse Coopers are actively involved in the day to day running and monitoring of the ERP activities. We are striving to build a system driven process oriented organization with a human touch.

Your company is aware of the need to have an effective managerial structure to implement the corporate vision. Towards this it is ramping up the managerial talent pool aggressively.

This will provide the organizational platform for the next leap forward.

Corporate Social Responsibility

Your company is deeply aware of its societal obligations. During the year your company joined hands with a nonprofit organization, Dhyan Foundation. Teaching of children in a systematic manner from the economically deprived sections of society was one of the activities. The other activities related to giving of medical advice and health facts to the spouses of the unskilled workers working at our project sites. During the unprecedented floods in Bihar your

company was in the fore front in doing relief work. Employees of the company sacrificed a part of the wages in joining the company to make a financial contribution to the flood affected victims.

Acknowledgements

I express my sincere gratitude to our shareholders, banks, financial institutions for their continued support and to all our employers who have thought us worthy of executing their projects. My thanks to our Independent Directors for sharing with us their wisdom. My appreciation for my colleagues on the Board for guiding me with their inputs. I wish to express my appreciation to our employees in the C & C family for their dedication, loyalty and commitment.

Thank you

Gurjeet Singh Johar

Chairman

directors' report

To the members,

We are pleased to present the 12th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial year ended 30th June, 2008.

The Financial highlights for the year under review are given below:

Dividend

The Board, for the year ended 30th June, 2008, has recommended a dividend @ 27.5% subject to your approval at the Annual General Meeting.

The Year Under Review

The Company continues to see a profitable growth in the financial year 2007-08. The Gross Revenue for the Financial Year under review stood at Rs. 533.25 Crores as against Rs. 330.41 Crores in the previous Financial Year ended 2007, registering a growth of 61.39 %.

Financial Highlights

(Rs. in Lacs)

	2008	2007
Gross Revenue	53325.83	33041.80
Operating Profit	10084.23	7743.74
Finance Charges	3286.23	1965.46
Depreciation	1547.30	1602.38
Profit before tax (PBT)	5250.69	4175.89
Provision for tax	750.00	1110.00
Provision for Deferred Tax	391.64	(269.48)
Fringe Benefit Tax	18.16	18.06
Profit after tax (PAT)	4090.88	3317.30
Add: Profit brought forward from previous year	8623.13	6589.91
Profit available for Appropriation	12714.02	9907.21
Appropriations:		
Dividend	502.14	456.49
Dividend Tax	85.31	77.58
Transfer to General Reserve	750.00	750.00

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Operating profits stood at Rs. 92.89 Crores as against Rs. 71.63 Crores in Financial Year ended 2007 reflects an EBITDA margin of 17.42 %. Profit after Tax stood at Rs. 40.91 Crores for the financial year under review as against Rs. 33.17 Crores in the previous financial year, registering an increase of 23.30%.

Your Company individually and along with other joint venture member has secured the following projects:

- Widening & Strengthening of Una-Bangana-Barsar From Km 0+00 to Km 45+00 Package-2 (Himachal Road & other infrastructure Development Corporation)
- Widening & Strengthening of Barsar-Bhota-Jahu (Km 45+00 to Km 90+800) Package-3 (Himachal Road & other infrastructure Development Corporation)
- Reconstruction of Gardez to Khost Road Project, Paktia – Khost, Afghanistan, Km.0+000 to Km.101+206 (USAID)
- IRQP (Balance work) in Km. 1.00 to Km. 24.00 of Muzzafarpur-Sitamarhi Section of NH-77 in Bihar (Public Works Department, Bihar)
- Construction of Pavement at Darbhanga (IRCON Bihar)
- Construction of Zirakpur-Parwanoo Section of NH-22, including Pinjore-Kalka-Parwanoo Bypass (J.P. Associates Ltd.)

Utilization of Issue Proceeds

Your Company has utilized the entire amount of the IPO proceeds as per the utilization shown in the offer document during the Year under review.

Directors

Mr. Ramesh Chandra Rekhi, Lt. Gen. Harbans Singh Kanwar (Retd.), Mr. Kanwal Monga and Mr. Tarlochan

Singh retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Subsidiary Companies

The Standalone audited accounts of C and C Projects Ltd, a subsidiary company, for the year ended 31st March, 2008 and consolidated audited accounts with the Company for the year ended 30th June, 2008 are attached.

Auditors & their 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 offers themselves for re-appointment.

Particulars of Employees

Particulars of employees pursuant to the provisions of section 217(1)(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed as **Annexure 'A'** to this report.

Directors' responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- a** In the preparation of annual accounts under review the applicable accounting standards have been followed.
- b** Appropriate accounting policies were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit of the company for that period.
- c** Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- d The annual accounts are prepared on a going concern basis.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchanges Earning and Outgoes

a. Conservation of energy

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

b. Foreign exchange earning and outgoes

The details of Foreign Exchange Earnings are:

(Rs. in Lacs)

	2008	2007
Overseas Project Services	6716.02	12025.86
Export of Goods	-	-

The details of Foreign Exchange Outgoes are:

(Rs. in Lacs)

	2008	2007
Expenditure incurred in overseas contract	5243.29	9370.69
Traveling Expenses	18.44	7.12

Fixed Deposits

Your Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956

Corporate Governance and Management Discussion and Analysis Report

In pursuance of Clause 49 of the Listing Agreement entered into with the stock exchanges, a separate report on Corporate Governance along with Auditors' Certificate on its compliance and Management Discussion and Analysis Report forming part of this report are annexed hereto.

Acknowledgements

Your Directors wish to place on record their appreciation for the wholehearted support and cooperation extended to the Company by the Central and the State Governments, Bankers, Suppliers, Associates, Sub-contractors and Employees and other stakeholders.

For and on behalf of the Board
Gurjeet Singh Johar
Chairman

Place: Gurgaon
Date: 30.09.2008

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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 upto date and forming part of the directors' report for the year ended 30th June, 2008.

SL. NO.	NAME	AGE	DESIGNATION	GROSS REMUNERATION RECEIVED (RS.)	QUALIFICATION	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	PARTICULARS OF LAST EMPLOYMENT
(A) Employed throughout the year and were in receipt of remuneration aggregating not less than Rs. 24 Lacs per annum								
1.	Mr. Gurjeet Singh Johar	59	Chairman	60,00,000	B.Com., C.A.	32	April 1, 2005	G. S. Johar & Co.
2.	Mr. Charanbir Singh Sethi	50	Managing Director	60,00,000	B. Com	27	December 20, 2001	Oriental Structural Engineering Ltd.
3.	Mr. Rajbir Singh	52	Whole-time Director	60,00,000	B.A.(Economics)	12	July 1, 1997	Indian Army
4.	Mr. Sanjay Gupta	49	Whole-time Director	60,00,000	B.E. (Civil)	22	April 1, 2006	Oriental Structural Engineering Ltd.
5.	Mr. Amrit Pal Singh Chadha	45	Whole-time Director	60,00,000	M.Com	22	January 1, 1997	Oriental Structural Engineering Ltd.
6.	Mr. Rajendra Mohan Aggarwal	64	Whole-time Director	60,00,000	B.E. (Civil), Post Graduate Diploma in Management	37	June 1, 2001	Oriental Structural Engineering Ltd.
7.	Mr. Tapash K. Majumdar	51	Chief Financial Officer	48,30,000	B.A. (Hons.) (Eco.), F.C.A.	23	November 9, 2006	Cornerstone Securities Ltd.
8.	Mr. Anil Bhatia*	54	Chief General Manager	21,45,000	B.E. (Civil)	22	April 15, 2007	BSC-C&C 'JV'
(B) Employed for part of the year under review and were in receipt of remuneration for any part of the year at a rate which in aggregate was not less than Rs. 2 Lacs per month								
1.	Mohd. Abdul Rub**	44	Executive Director	14,60,000	B.E. (Civil)	19	September 6, 2007	ICOMM Tele Ltd.

* Though employed throughout the year but was in receipt of remuneration not less than 2 lacs per month for part of the year.

** Resigned w.e.f. 31.01.2008

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

management development and analysis report

Global Scenario

The latest developments in the international financial markets have sent shock waves across the globe. Falling asset prices, tighter credit and declining confidences have left corporates unable or unwilling to invest in further growth. The meltdown of our stock markets and the relentless outflow of foreign currency have weakened the Indian rupee considerably. Paradoxically our exports face a much lower demand due to the onset of recession in the western countries. The domestic real economy is also tied up in knots. Weaker equity markets, unwillingness of global institutions to lend and cautious sentiment domestically has made funding difficult for corporates. The GDP growth projections have been revised downwards from 9% to around 7% for the financial year ending March 2009.

There is however a silver lining. Commodity prices will come off their peaks. Inflation will mellow and interest rates are expected to fall sooner than later. The India growth story is intact although there are temporary roadblocks. The emergence of India and China as the next growth engines for the world at large, is still undisputed.

Indian Scenario

India is presently the second fastest growing economy in the world. Infrastructure in India has been experiencing rapid growth. The government has realized that infrastructure inadequacies in both rural and urban areas are a major factor constraining country's growth. The Infrastructure sector is estimated to grow at a CAGR of 15% over the next five years,

requiring an investment of US\$ 475 billion during this period. The Construction industry alone will require an investment of over US\$ 125 billion. Roads and Urban Infrastructure led by the National Highway Development Programme (NHDP) and Jawaharlal Nehru National Urban Renewal Mission (JNNURM) will mainly fuel investments in the infrastructure sector.

It is not possible to expect the entire investment of this magnitude to come from the public sector only. Therefore, private sector participation in a significant manner is necessary to achieve the objective. Most of the construction companies have already started taking up infrastructure projects by setting up special purpose vehicles in a major way. In future, this trend is likely to gain more momentum.

Outlook and Opportunities

The significance of the construction sector in any economy is well known. Infrastructure development has been identified as a major thrust area as emphasized through such projects as Bharat Nirman, Pradhan Mantri Gramin Sadak Yojana, the National Highways Development Programme. However, 2008-09 will be a challenging year for the Indian construction industry. Higher commodity prices, volatile capital market and forthcoming elections - all will have their adverse impact on the performance of construction industry. The government has increased the outlay in key infrastructure sectors such as roads, urban infrastructure and irrigation. Under roads, led by National Highways Development Programme, the budget allocation has been increased by 19 per cent from Rs. 109 billion in 2007-08 to Rs. 130 billion in

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2008-09, much higher than the 9 per cent growth in allocation of the previous year. The central assistance under Jawaharlal Nehru Urban Renewal Mission has also been increased by 25 per cent - from Rs. 55 billion in 2007-08 to Rs. 67 billion in 2008-09. These increased allocations would augur well for construction companies in terms of healthy order book growth and better revenues. These allocations would translate into construction investments of Rs. 291 billion in the segments of roads, urban infrastructure.

Risks and Concerns

Risks in general are inherent in any business activity. These risks have to be identified and appropriately classified as internal and controllable versus external and uncontrollable. The company must be prepared for both the types of risks. At C & C the approach to risk mitigation and risk control is both formal and informal. At the heart of the risk management policy is to protect shareholders wealth by creating a shield around the productive assets of the company. Risk assessment comprises of risk identification and analysis followed by designing of suitable control activities and processes. This involves employing a series of governance and activity level controls that ensures the company is protected from the risks of internal and external forces.

Global economic risks

The Indian economy has not decoupled itself from the world economy. The international financial crisis has seen major bankruptcies. International governments have had to take decisive action to stabilize other major banks from going into more bankruptcies. The scale of economic damage is starting to be visible as important statistics reveal a sharp drop in global economic activity.

C & C is currently operating only in Afghanistan. The orders in Afghanistan are funded by multilateral funding agencies USAID, World Bank and Asian Development Bank. These agencies operate under the aegis of the US government and are funded under a bilateral

government aid programme. As such the risk of bankruptcy of the employer due to the international financial meltdown does not exist.

Indian economic risks

A significant part of the company's revenue comes from the domestic market. The company would be susceptible to any policy changes by the Indian Government. Currently the infrastructure industry enjoys the confidence of the Indian Government. The Prime Minister is on record emphasizing increased spend in this sector both to insulate the Indian economy from the ill effects of the world slowdown as also to ensure generation of employment and growth. At C & C we are in the process of building a diversified portfolio of assets. A beginning has been made in the sectors of water sanitation and sewerage, commercial buildings and transmission towers. This diversification will reduce over dependence on any single sector.

Strategy risks

A company needs to have a strategy to ensure all business opportunities are fully exploited. In a growing space such as the infrastructure sector many diverse projects keep coming up. A well thought out business model will ensure management focus and a considered response.

At C & C the long term business strategy and the annual business plans are deliberated upon and finalized by the Board of Directors. Further they are periodically reviewed and any course of correction required, is implemented.

The business strategy of the company can be stated as:

- Consolidate present position in the road sector
- Diversify the client base and the geographical base to decrease risk
- Diversify into fresh verticals to reduce business cycle risks
- Expand into countries having a distinct infrastructure

development plan and that fits into the company's strategic vision

- Invest in BOT projects offering contracting revenue and sustainable operating revenue.

Competition risk

The attractive growth rate projections of our country coupled with a massive proposed infrastructure spend of over US\$ 1000 billion in the next ten years has attracted increased competition from domestic as well as international players.

The company's strategy to such competition has been to build on its internal strengths. The foundation of this company has been laid by working in challenging locations. These locations are generally perceived to be more risky and thus create natural entry barriers. The company has excelled in Afghanistan and Bihar as compared to competition both from domestic as well as international companies.

The company is actively pursuing an international tie up with a similar large infrastructure development companies. This will leapfrog the company to a much higher level both in terms of throughput and bid eligibility for large projects.

Contract pricing risk

The assumptions related to pricing of commodities may undergo a change during the life of a project. Original estimates related to commodity pricing may undergo a change resulting in a decreased profitability of the project. Commodity price escalations, where not provided for in the contracts can lead to losses. The company generally follows a policy of accepting those contracts which have price escalation clauses that either move with the wholesale price index or moves with price of the commodity itself. Over 81% of the pending orders valued at Rs. 1306 Crores are with price escalations. The balance 19 % amounting to Rs. 307 Crores comprises of orders from Afghanistan

Rs. 188 Crores and India Rs. 119 Crores. The operating margins from Afghanistan are substantially high and therefore adequate to take care of price rises. The Indian portion is comparatively insignificant but would be adversely affected by price increases.

Liquidity and interest rate risks

A company can grow only when it has access to timely and cheap funds. The capital markets and the banking sector are the best bets for this purpose. Both these sources have dried up resulting in a severe crisis of liquidity. Sanctioned limits have been denied. Total withdrawal of credit enhancement processes has virtually brought the entire economy to a grinding halt.

At C & C the response has been quick. The capital structure of the company provided for headroom to raise debt without damaging the debt equity ratio beyond acceptable norms. The company went in for debt long before the crisis of liquidity deepened. These debts range from a tenure of 12 to 24 months. This will ensure adequate liquidity for the ongoing projects. Meanwhile working capital cycles are being tweaked to reduce the cash requirement for the projects.

Assets and Inventory risk

Loss or damage to inventory and assets can lead to delays in projects resulting in reduced profitability. These losses can happen through theft, fire, flood or any other way. Similarly machinery breakdown will result in delayed output ultimately taking a toll in the profitability.

The company has taken proactive steps to mitigate this risk. Appropriate insurance policies for raw materials and assets have been taken. This ensure such losses are fully recovered. An amount of Rs. 12.96 Crores was recovered in FY 08 from the insurance company for losses caused due to floods in Bihar. Similarly preventive annual maintenance contracts for assets are taken for smooth operations.

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Manpower risk

The ability to recruit, train, retain and motivate skilled professionals continues to be a major risk in the implementation of any project. In a country like India availability of trained manpower continues to be a challenge. Our universities do not have the capacity to produce professionals at a pace matching the needs of the infrastructure industry. This has resulted in a serious mismatch in the demand supply situation of manpower. Poaching of trained manpower from competitors seems to be the easiest way to finish the recruitment process.

The company is fully seized of this risk. It values its manpower as an invaluable resource. A mixture of higher compensation than industry together with a fast track promotion scheme for performers is paying rich dividends. The attrition rates in the company are amongst the lowest in the industry. A conscious effort by the top management is made to interact with all critical managers to keep them motivated and focused.

Internal control systems and their adequacy

The Company has in place adequate systems of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. Some significant features of the internal control systems include the following:

- Delegation of power with authority limits for incurring capital and revenue expenditure;
- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long-term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;

- A well-established multi-disciplinary internal audit team, which reviews and reports to the management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and key process risks.
- Audit Committees of the Boards of Directors regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with the Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

Discussion on financial performance with respect to operational performance

Income Analysis

Work Executed

The company recorded incremental revenue of Rs. 202.84 Crores thereby registering a growth of 61.39 %. This increase from Rs. 330.41 Crores to Rs. 533.25 Crores has largely been from domestic business. The domestic business was 88% International business was 12%. The turnover achieved during the four quarters is as follows:

Indian

(Rupees in Crores)

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
31.77	60.74	165.98	212.97	471.46

Overseas

(Rupees in Crores)

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
17.46	25.44	Nil	18.89	61.79

Total

(Rupees in Crores)

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
49.23	86.18	165.98	231.86	533.25

Other Income

The other income went up from Rs. 5.80 Crores in FY 07 to Rs. 7.94 Crores in FY 08. This includes foreign exchange conversion gain of Rs. 4.44 Crores. This represents gains made in converting US \$ to other

currencies for transactions in Afghanistan. The balance represents dividend income and scrap sale.

Expenditure Analysis

Construction Expenses (Rs. 374 Crores)

The construction expenses as a percentage of work executed increased from 64% to 70%. This increase is largely attributable to a change in the geographical mix in the work executed.

This expenditure includes Rs. 336.57 Crores spent on Indian projects and Rs. 37.11 Crores spent on International projects. The cost of construction in the Indian projects comes to 72% and that of International projects to 60%.

Staff Expenses (Rs. 40 Crores)

The expenses represent expenditure on employees of the company and includes provision for gratuity calculated on an actuarial basis. Our expenditure under this head is 7.42% of sales against 9.22 % in the previous year. Human capital is a key resource and the company believes in rewarding this resource.

General and Administrative Expenses (Rs. 27 Crores)

These are general overheads of the company. Included therein is a provision for Bad and Doubtful Debt to the extent of Rs. 1.86 Crores. Also, an amount of Rs. 7.65 Crores has been written off as miscellaneous expenses which represents winding up expenses of old sites in Afghanistan.

EBITDA (Rs. 93 Crores)

This represents 17.42% of Work Executed. As against this the EBITDA in FY 07 was Rs. 71.63 Crores representing a margin of 21.68 % of Work Executed. This decline in EBITDA margins can be largely attributed to a change in the geographical sales mix. In FY 07 out of the total work executed 36% came from International business where as only 12% came from International business in FY 08.

Typically International business comes at an EBITDA upwards of 35%-36%. The EBITDA of the Indian business depends on the complexity of the work and the region where this work is being executed. In a place like Delhi the EBITDA is 12%. In Bihar the EBITDA is 23%. The average would fall between 15% to 17%.

The company also has a policy to work in areas offering higher margins. This results in the company achieving higher than industry margins.

Interest & Finance Charges (Rs. 33 Crores)

Interest & finance charges for the current year are Rs. 32.86 Crores .This includes net interest of Rs. 26.25 Crores and Rs. 6.61 Crores towards charges for opening Letters of Credit and Bank Guarantees and other bank charges. The effective rate of interest for the FY 08 is 9.69%.

Interest & finance charges in the previous year are Rs. 19.65 Crores in FY 07 the net interest was Rs. 14.77 Crores and Rs. 4.88 Crores towards charges for opening Letters of Credit and Bank Guarantees and other bank charges. The effective rate of interest during FY 07 comes to 10.75%.

The average cost of finance declined from 10.75% of debt in FY 07 to 9.69 % of debt in FY 08. This is primarily on account of better fund management of funds during the year.

Taxation

The company provides for tax on the taxable income for the period 1st April, 2007 to 31st March, 2008. The company is a full tax paying company. All laws as are applicable to an Indian contracting company are applied and the tax liability at full rates is calculated and provided for in the accounts. The company does not take any benefit of Section 80-IA of the Income Tax Act, 1961, as it is of the opinion that this section is not applicable to contracting companies.

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Depreciation

The company provides for depreciation on a straight line basis. It has a policy of writing off as depreciation of Plant and Machinery being used in Afghanistan over the useful life of these assets. This results in higher depreciation of Rs. 5.09 Crores on Plant and Machinery deployed in Afghanistan Projects.

Profit after Tax (Rs. 41 Crores)

The profit after tax was Rs. 40.91 Crores in the current year against Rs. 33.17 Crores in the previous year. There has been a decline in the profitability from 10.04% in FY 07 to 7.67% in FY 08. This is primarily on account of a reduced EBITDA margin by 4.26% amounting to Rs. 23 Crores. The EPS stood at Rs. 22.40 for FY 08 as against Rs. 22.05 in FY 07.

Dividend

The company proposes to increase its dividend rate from 25% to 27.5%. However this will still imply a lower dividend payout ratio from 14% to 12.27%. This is consistent with the company policy of ploughing back profits yet enhancing shareholder returns.

Shareholders' Fund

The Net worth of the company grew by Rs. 38.36 Crores up from Rs. 270.60 Crores as at June 30, 2007 to Rs. 308.96 Crores as at June 30, 2008. The Book value per share increased from Rs. 148.74 per Share to Rs. 169.20 per share in the same period.

Loan Funds

The loan funds increased from Rs. 137.38 Crores as on June 30, 2007 to Rs. 270.75 Crores as on June 30, 2008 representing an increase of Rs. 133.37 Crores. Out of this increase an amount of Rs. 110.16 Crores is the increase in working capital borrowings. A further increase in term loan of Rs. 23.21 Crores took place to fund Fixed Assets. The company is comfortable with its gearing ratio as this increase in borrowings has been to fund growth.

Return on Capital Employed

The capital employed as at June 30, 2008 was Rs. 579.71 Crores as against Rs. 408.98 Crores as at June 30, 2007 resulting in an increase of Rs. 170.73 Crores. The company was able to maintain a consistent return on capital employed at 14% for FY 08 and FY 07.

Fixed Assets

Gross Block increased from Rs. 144.68 Crores as on June 30, 2007 to Rs. 252.63 Crores as on June 30, 2008. The Increase in Gross block includes Rs. 68.36 Crores of plant & Machinery procured for construction. In order to maintain higher margins the company executes its works with its own fixed assets and with minimal sub-contractors. Also the company operates in Afghanistan and in other remote areas where sub contractors with adequate resources and assets are not available.

Investment (Rs. 53 Crores)

The company has a wholly owned subsidiary namely C and C Projects Ltd. This subsidiary has been formed to act as a holding company to invest in the SPVs executing BOT projects. As of now the company is executing a BOT project from Kurali to Kiratpur on a toll basis. The financial closure for the project has been completed and the scheduled date of completion of construction of this road is June 2010. The investment in this subsidiary is Rs. 44.69 Crores. Another Rs. 7.95 Crores represents investment in an Associate company incorporated in Nepal and manufacturing aggregates for supply to our sites in Bihar.

Inventories (Rs. 206 Crores)

Inventories increased from Rs. 76.47 Crores as on 30th June, 2007 to Rs. 206.04 Crores as on 30th June, 2008. The number of projects in hand increased to 23 in FY 08 compared to 15 projects in FY 07 increase in inventory is mainly on this account. The company also believes in making bulk purchases of items where

there are price advantages to do so. Large quantities of Bitumen and Cement were imported in FY 08 where the net landed cost at site was cheaper than those available in the domestic market. This may at times temporarily result in large stocking of inventory.

Debtors (Rs. 143 Crores)

The debtors increased from Rs. 69.82 Crores to Rs. 143.01 Crores representing an increase of 107% against a turnover increase from Rs. 330.42 Crores to Rs. 533.25 Crores. In this industry the turnover is not uniform during the whole year. Around 40% of the total sales happen in the last quarter. The debtors as on the closing largely represents outstanding of the last quarter.

Loans and Advances (Rs. 99 Crores)

Out of this Rs. 23.81 Crores is retention money. This is adjustable after a period of 12 months of completion of the project. Advances to suppliers amount Rs. 21.93 Crores. These advances enable us to get better rates for our purchases. Sales tax recoverable/adjustable accounts for Rs. 19.59 Crores. A further Rs. 21.27 Crores as sub-contractor and staff advances accounts for the balance.

Current Liabilities (Rs. 180 Crores)

This has increased by Rs. 55.41 Crores over the previous year. This increase is on account of an increase in Sundry creditors by Rs. 17.11 Crores. An increase of Acceptances by Rs. 19.21 Crores and a net increase in other liabilities by Rs. 19.09 Crores. This increase is in line with the increase in business. Other liabilities represent expenses payable on account of the last months salaries, utilities etc. and miscellaneous taxes payable such as TDS, sales tax, entry tax etc.

Business & Financial Review of Subsidiary Company

C and C Projects Ltd.

C and C Projects Ltd. was formed as wholly owned

subsidiary company of C & C Constructions Ltd. with an objective to make investment in BOT projects. C & C constructions Ltd. has invested Rs. 44.69 Crores in the equity share of the company as on 30 June, 2008. The company is investing in the shares of BSC — C and C Kurali Toll Road Ltd. Financial performance of the company for the year ended 31st March, 2008 is as under.

(Amount Rs. Thousand)

YEAR ENDING	31ST MARCH, 2008	31ST MARCH 2007
Sales/ Income	Nil	Nil
Expenses	1098	12
Profit/(Loss) after Tax	(759)	(8)

Material developments in Human Resource/ Industrial Relations front including number of people employed

Since inception, we have endeavored to establish ourselves as a progressive organization, continuously monitoring and anticipating the changing market trends and evolving market dynamics. Human capital in the organization has always remained the constant appreciating asset, which have propelled the organization to its present status. The organisation aims to post a consistent and a healthy growth. The attraction, preservation and development of high caliber people is the source of competitive advantage for our business. There was no strike or labour unrest during the period under review. During the year under review, the Company increased the employee strength by 892 persons, both in technical and support functions.

Cautionary Statement

The Statements in the Management Discussion and Analysis Report describing Company's objectives, plans, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws & regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances.

report on corporate governance

1. Company's Philosophy of Code of Governance

The Company believes in meeting the aspirations of its stakeholders and society at large. Keeping this objective in mind, the Company is managed and directed on the philosophy of good Corporate Governance. The Company has been able to attract financial and human capital through good Corporate Governance, which ultimately is used for economic value addition for its shareholders and other stakeholders. The Company has been making requisite disclosures to various regulatory authorities and public at large.

2. Board of Directors

The Board of the Company consists of the Chairman, Managing Director, Four Whole-Time Directors and Six Independent Directors. All Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

2.1 Composition and Category of Directors are as follows

CATEGORY	NAME OF DIRECTORS
Promoter & Executive Directors	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 & Executive Director	1. Mr. Rajendra Mohan Aggarwal
Independent Directors	1. Mr. Deepak Dasgupta 2. Mr. Anand Bordia 3. Mr. Kanwal Monga 4. Mr. Ramesh Chandra Rekhi 5. Mr. Tarlochan Singh 6. Lt. Gen. Harbans Singh Kanwar (Retd.)

For the information of the members there are no pecuniary relationships or transactions of the Independent Directors vis-à-vis the company.

2.2 Board Meetings

During the Year Five Board meetings were held on 27th September, 2007, 29th October, 2007, 29th January, 2008, 18th April, 2008 and 29th April, 2008.

The Attendance of each Director, at the Board meetings and at the last Annual General Meeting as well as Number of Directorship(s) and Chairmanship(s)/ Committee Membership(s) of each Director in Public Limited Companies other than in C & C Constructions Ltd., are furnished hereunder:

NAME OF DIRECTORS	BOARD MEETINGS		LAST ANNUAL GENERAL MEETING ATTENDED
	HELD	ATTENDED	
Mr. Gurjeet Singh Johar	5	5	Yes
Mr. Charanbir Singh Sethi	5	5	Yes
Mr. Rajbir Singh	5	5	Yes
Mr. Sanjay Gupta	5	4	Yes
Mr. Amrit Pal Singh Chadha	5	5	Yes
Mr. Rajendra Mohan Aggarwal	5	4	Yes
Mr. Deepak Dasgupta	5	4	Yes
Mr. Anand Bordia	5	5	No
Mr. Kanwal Monga	5	5	No
Mr. Ramesh Chandra Rekhi	5	3	No
Mr. Tarlochan Singh	5	4	Yes
Lt. Gen. Harbans Singh Kanwar (Retd.)	5	3	Yes

NAME OF DIRECTORS	DIRECTORSHIPS HELD IN OTHER COMPANIES		COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES	
	AS DIRECTOR	AS CHAIRMAN	AS MEMBER	AS CHAIRMAN
Mr. Gurjeet Singh Johar	8	None	2	2
Mr. Charanbir Singh Sethi	6	None	1	None
Mr. Rajbir Singh	6	None	1	None
Mr. Sanjay Gupta	6	None	1	None
Mr. Amrit Pal Singh Chadha	5	None	1	None
Mr. Rajendra Mohan Aggarwal	None	None	None	None
Mr. Deepak Dasgupta	4	None	1	None
Mr. Anand Bordia	2	None	1	None
Mr. Kanwal Monga	2	None	1	None
Mr. Ramesh Chandra Rekhi	None	None	None	None
Mr. Tarlochan Singh	None	None	None	None
Lt. Gen. Harbans Singh Kanwar (Retd.)	None	None	None	None

3. Audit Committee

The Board constituted an Audit Committee on 6th October, 2006. The Audit Committee consists of three independent Non-Executive Directors 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 exchange and legal requirements concerning financial statements
- d** Any related party transactions i.e. transactions of our Company of material nature, with our Promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of our 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

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- 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 the Issue.

The Constitution of the Audit Committee and details of meeting held during the year are as follows:

NAME OF DIRECTORS	CATEGORY	NO. OF MEETINGS	
		HELD	ATTENDED
Mr. Anand Bordia	Non-Executive and Independent Director (Chairman)	4	4
Mr. Kanwal Monga	Non-Executive and Independent Director	4	4
Mr. Ramesh Chandra Rekhi	Non-Executive and Independent Director	4	2
Mr. Gurjeet Singh Johar	Executive Director	4	4

4. Remuneration Committee

The Board had constituted a Remuneration Committee on 06.10.2006 comprising of Mr. Deepak Dasgupta, Mr. Kanwal Monga and Mr. Anand Bordia with a view to recommend the Remuneration payable to Managing Director/whole time Directors, sitting fee payable to non executive Directors and also remuneration policy covering remuneration payable to our senior executives. In view of Mr. Kanwal Monga's other engagements, on 08.05.2006 the Board had decided to reconstitute the Remuneration Committee by inducting Mr. Harbans Singh Kanwar in place of Mr. Kanwal Monga.

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 Board Meeting. The sitting fee is not paid to the Executive Directors for the Board meetings or committee meetings thereof. The necessary approvals were obtained from shareholders, wherever required. The details of remuneration paid to all the directors during the year ended on June 30, 2008 are as follows:

NAME OF DIRECTORS	SERVICE CONTRACT/ NOTICE PERIOD	SALARY	ALLOWANCES	SITTING FEE (RS. IN LACS)
Mr. Gurjeet Singh Johar	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Charanbir Singh Sethi	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Rajbir Singh	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Sanjay Gupta	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Amrit Pal Singh Chadha	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Rajendra Mohan Aggarwal	Whole time to retire by rotation	37,50,000	22,50,000	
Mr. Deepak Dasgupta	Retire by rotation	-	-	0.50
Mr. Anand Bordia	Retire by rotation	-	-	0.45
Mr. Kanwal Monga	Retire by rotation	-	-	0.45
Mr. Ramesh Chandra Rekhi	Retire by rotation	-	-	0.25
Mr. Tarlochan Singh	Retire by rotation	-	-	0.55
Lt. Gen. Harbans Singh Kanwar (Retd.)	Retire by rotation	-	-	0.30

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

5. Investors' Grievance Committee

The Board of Directors had constituted Shareholders/ Investors' Grievance Committee on 06.10.2006 inter-alia to look after Share transfer, issue of duplicate share certificates redressal of shareholders' complaints relating to non receipt of refund orders/declared dividend, annual reports etc.

The terms of reference of the Committee are as follows

- i to approve the share transfer, transmission, transposition.
- ii to approve the de-materialization and re-materialization of shares.
- iii to approve the split, consolidation, renewal of share certificates.
- iv to approve the issue of duplicate share certificate in lieu of lost, old, defaced, torn, destroyed.
- v to approve the issue of share certificates in any other case.
- vi to authorize any person for signing and sealing of share certificates.
- vii to authorize 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 shareholder's aspect has been furnished in the Shareholder Information Section of the Annual Report.

The Constitution of the Shareholders' Grievance Committee and details of meeting held during the year are as follows:

NAME OF DIRECTORS	CATEGORY	NO. OF MEETINGS	
		HELD	ATTENDED
Mr. Deepak Dasgupta	Non-Executive and Independent Director (Chairman)	7	6
Mr. Tarlochan Singh	Non-Executive and Independent Director	7	7
Mr. Sanjay Gupta	Executive Director	7	6

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

The total number of complaints received during the year ended June, 2008 - **335**

Number of complaints that were resolved to the satisfaction of the Shareholders during the year ended June 2008- **335**

Number of pending Complaints – **Nil**

In order to expedite the process of share transfer etc. the committee constituted a sub-committee as share Transfer Committee comprising of 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-materialization and re-materialization of shares.
- iii to approve the split, consolidation, renewal of share certificates.
- iv to approve the issue of duplicate share certificate in lieu of lost, old, defaced, torn, destroyed share certificate.

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- v to approve the issue of share certificates in any other cases.
- vi to authorize any person for signing and sealing of share certificates.
- vii to authorize 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

Finance Committee

The Board of Directors of the Company constituted a Finance Committee for day to day operations of the Company including the following matters:

- i To open and operate Bank Accounts.
- ii To authorize 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 authorize persons to act on behalf of the Company.
- vii To invest the funds of the Company upto a limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores) in Shares, Debentures, Mutual Funds, FDRs and Bonds of Bodies Corporate and Government or Semi Government agencies.
- viii To avail of loans, credit facilities, lease arrangements, inter corporate borrowings and other borrowing from Banks / Financial Institutions upto a limit of Rs. 200 Crores, as approved by the Company in the Extraordinary General Meeting held on 6th October, 2006.
- ix To accept the terms and conditions for availing the said financial assistance.
- x To authorize execution of documents and affix the Common Seal of the Company, wherever necessary.
- xi To request Banks or Financial Institutions for

disbursement of funds.

- xii To deal with matters of hire purchase etc. from suppliers etc. in addition to Bank / Financial Institutions.
- xiii To create security on the assets of the Company for availing of the above-mentioned facilities.
- xiv To do all acts, deeds and things, as may be required or considered necessary or incidental thereto.
- xv 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 and
- 6 Mr. Anand Bordia

In order to enable the Committee to exercise its powers for the availing increased demand of financial assistance, the Board of Directors at its Meeting held on 29.01.2008 changed the terms of reference as follows:

- i To open and operate Bank Accounts.
- ii To authorize 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 authorize persons to act on behalf of the Company.
- vii To invest the funds of the Company upto a limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores) in Shares, Debentures, Mutual Funds, FDRs and Bonds of Bodies Corporate 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. 2000 Crores.
- x To accept the terms and conditions for availing the Borrowings/financial assistance under Clause (viii) and (ix) above.
- xi To authorize 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 etc. from suppliers etc. in addition to Bank / 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.

7. Secretarial Audit

As a strong measure of transparency and control, the Company has, voluntarily, appointed an independent practicing company secretary, who has been conducting secretarial audit. This audit, as a process, acts both as preventive check as well as verification of compliance with various applicable corporate and securities laws.

8. General Body Meetings

The details of the last 3 Annual General Meetings of the shareholders are as under:

DATE	TIME	LOCATION
27.12.2007	10.00 A. M.	Airforce Auditorium Subroto Park, New Delhi-110010
30.12.2006	11.00 A. M.	Flat No. G-11, Hemkunt Chamber, Nehru Place, New Delhi - 110 019
30.12.2005	3.00 P. M.	74, Hemkunt Colony, Opp. Nehru Place, New Delhi - 110048

No Special Resolutions were passed in any of the above mentioned Annual General Meetings None of the resolutions were put through Postal Ballot last year.

9. 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 3 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.

10. Means of Communication

RECOMMENDATION	COMPLIANCE
Quarterly Results	Published in leading newspapers.
Which newspapers normally published in	Financial Express (All editions) Veer Arjun (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 Annual Report	Yes
Whether Shareholder information section forms part of the Annual report	Yes

11. General Shareholder Information

1. Annual General Meeting Date and Time Venue	27th December, 2008, 10.00 A.M. Air Force Auditorium, Subroto Park New Delhi-110010
2. Financial Year	1st July to 30th June
3. Financial Calendar 2007-08	Results for 1st Quarter ended 30th September, 2008- On or before 31st October, 2008 Results for 2nd Quarter ended 31st December, 2008- On or before 31st January, 2009 Results for 3rd Quarter ended 31st March, 2009, - On or before 30th April, 2009 Audited financial results for last quarter and year ended 30th June, 2009 – On or before 30th September, 2009
4. Book Closure Date	22nd December, 2008 to 27th December, 2008 (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.
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 & CSDL	INE 874H01015
11. Registrar and 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
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 30.06.2008.	Separately given
14. Shareholding Pattern as on 30.06.2008	Separately given

15. Dematerialization of Shares and Liquidity	The Company has entered into a tripartite agreement with NSDL and CDSL. Trading in the Equity Share of the Company is permitted only in dematerialized form. 49.11 % of the Company's share capital was dematerialized as on June 30, 2008. The Company's Shares are regularly traded on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.
16. Outstanding GDR/ADR/ Warrants or convertible bonds, conversion date and likely impact on equity	NIL
17. Site Locations	India New Delhi, Ropar, Nangal, Kapurthala, Mohali, Pankula, Jabalpur, Zirakpur, Una, Jahu, Tarn Taran, Tepla, Nalagarh, Patna, Muzaffarpur, Darbhanga, Phulparas, Madhubani, Nawada, Kathua, Palwal, Kaman, Port Blair, Afghanistan Kabul, Taloquan, Gardez-Khost
18. Address for Correspondence	70, Sector 32, Gurgaon – 122001, India.
19. Website	www.candcinfrastructure.com

Distribution of Shareholding as on June 30, 2008

NO. OF EQUITY SHARES HELD	SHAREHOLDERS		EQUITY SHARE HELD	
	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
1-500	20988	98.387	1042003	5.707
501-1000	163	0.764	125375	0.687
1001-2000	73	0.342	111743	0.612
2001-3000	29	0.136	74028	0.405
3001-4000	16	0.075	57226	0.313
4001-5000	7	0.033	31340	0.172
5001-10000	20	0.094	150482	0.824
10001 and above	36	0.169	16667779	91.280
Total	21332	100.000	18259976	100.000

Shareholding pattern of the Company as on 30th June, 2008

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NUMBER OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF CAPITAL
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	24	7227258	39.58
(b)	Central Government/ State Government(s)	-	-	-
(c)	Bodies Corporate	3	5417160	29.67
(d)	Financial Institutions/ Banks	-	-	-
(e)	Any Others(Specify)	-	-	-
	Sub Total(A)(1)	27	12644418	69.25
2	Foreign			
a	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-

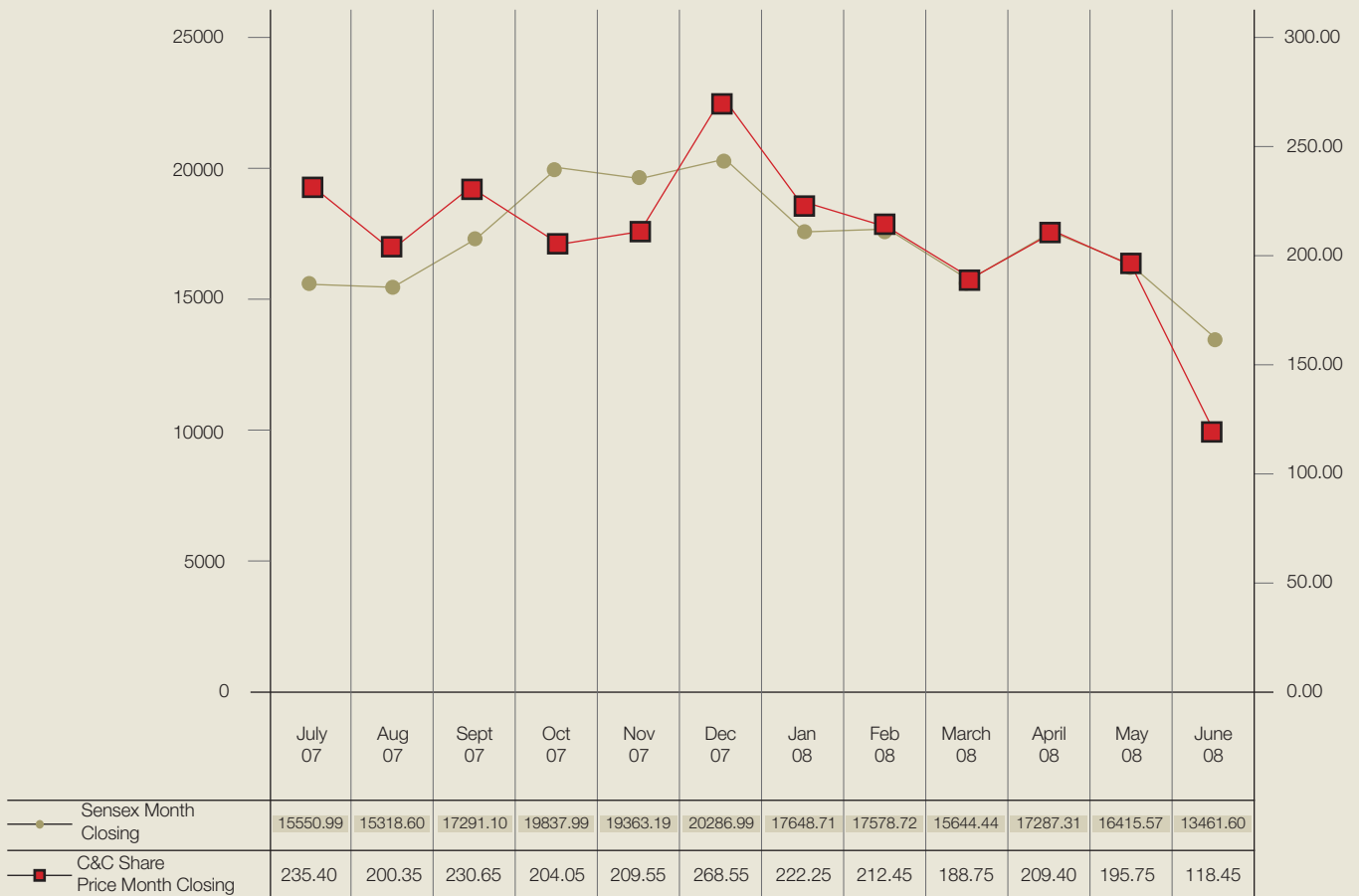
C & C CONSTRUCTIONS

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NUMBER OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF CAPITAL
b	Bodies Corporate	-	-	-
c	Institutions	-	-	-
d	Any Others(Specify)	-	-	-
	Sub Total(A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	27	12644418	69.25
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/ UTI	4	1604745	8.79
(b)	Financial Institutions / Banks	6	325727	1.78
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	10	1455376	7.97
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other (specify)	-	-	-
	Sub-Total (B)(1)	20	3385848	18.54
B 2	Non-institutions			
(a)	Bodies Corporate	384	453750	2.48
(b)	Individuals			
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	20661	1224454	6.71
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	5	257529	1.41
(c)	Any Other (specify)	-	-	-
(c-i)	Individual Directors	2	186975	1.02
(c-ii)	NRI	204	92593	0.51
(c-iii)	Employees	-	-	-
(c-iv)	Trust	-	-	-
(c-v)	Clearing members	29	14409	0.08
	Sub-Total (B)(2)	21285	2229710	12.21
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	21305	5615558	30.75
	TOTAL (A)+(B)	21332	18259976	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	21332	18259976	100.00

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, 2007	274.90	209.25	274.80	209.10
August, 2007	237.90	172.00	233.90	176.00
September, 2007	252.00	200.30	252.00	199.00
October, 2007	239.50	197.20	239.00	200.00
November, 2007	224.80	190.00	221.55	190.00
December, 2007	286.00	206.30	291.00	197.65
January, 2008	317.00	189.30	317.95	191.60
February, 2008	236.00	180.00	245.00	184.00
March, 2008	215.00	167.25	214.00	165.00
April, 2008	214.90	186.10	230.00	185.00
May, 2008	234.00	187.00	233.00	195.25
June, 2008	201.00	118.05	199.70	117.50

The Performance of the Company's Stock Price in comparison to BSE Sensex



**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 June 30, 2008.

For C & C Constructions Ltd.**Gurjeet Singh Johar****Chairman****Date: 30.09.2008****Place: Gurgaon**

**AUDITOR'S CERTIFICATE ON COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE****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 30th June, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 pending for a period of one months 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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
Membership No. 089285

Camp : Gurgaon
Date : 30.09.2008

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, 2008 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 account as required by law have been kept by the Company so far as 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 directors as on 30th June 2008 and taken on record by the board we report that none of the directors is disqualified for being appointed as directors 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 2008;
- 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
M No. 089285

Place : Gurgaon
Dated : 30.09.2008

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

- 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 are fine and amount outstanding as on 30.06.2008 is Rs. 35.35 Lacs (maximum amount outstanding during the year is Rs. 1022.35 lacs).
 - b There is no stipulation with regard to interest.
 - c There is no stipulation with regard to repayment of principal amount. These loans are repayable on demand.
 - d In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - e The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence clauses 4(iii)(e),(f) and (g) of the order are not applicable.
- 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 arrangement entered in the register maintained under Section 301 of 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 or as available with the company.
- vi In our opinion and 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 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 regularly deposited with the appropriate authorities though there has been a 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 2008 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 Tax and other statutory dues as on 30th June 2008, 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
Works Tax-Noida	Demand	7.20	2001-2002	Addl Commissioner
Works Tax-Noida	Demand	6.91	2003-2004	Stay at Allahabad High Court
Income Tax	Demand	23.95	2002-2003	Income Tax Appellate Tribunal, 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 financial year.
- xi Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 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.

C & C CONSTRUCTIONS

- xiii** The company is not a chit fund / nidhi/ mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable. Accordingly paragraph (xiii) of the order is not applicable.
- xiv** According to the information and explanations given by management, the company is not dealing or trading in shares, securities, debentures and other investments except for investment in Mutual Funds. All Investments 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 guarantee 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 2008, 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 and vice versa.
- xviii** The company has not made any preferential allotment of shares to 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, the Company had issued 500 floating rate secured redeemable Non convertible debentures

of Rs.10,00,000/- each in earlier years, which have since been redeemed during the year under consideration.

- xx** We have verified the end use of public issue as disclosed in the notes to the financial statements.
- 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
M No. 089285**

**Place : Gurgaon
Dated :30.09.2008**

BALANCE SHEET AS AT JUNE 30

	SCHEDULES	2008 (RS.)	2007 (RS.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	182,599,760	182,599,760
Reserves and Surplus	2	2,907,047,153	2,533,361,977
LOAN FUNDS			
Secured Loans	3	2,707,508,333	1,373,834,451
DEFERRED TAX LIABILITIES (NET)	12	78,928,521	39,764,248
		5,876,083,767	4,129,560,436
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	2,526,264,732	1,446,880,221
Less: Depreciation		592,033,248	440,247,475
Net Block		1,934,231,484	1,006,632,746
Capital Work-in-progress		292,955,836	547,945,636
		2,227,187,320	1,554,578,382
INVESTMENTS			
	5	526,506,720	926,926,347
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	2,060,475,244	764,723,092
Sundry Debtors	7	1,430,088,168	698,254,100
Cash and Bank Balances	8	523,208,076	296,557,509
Loans and Advances	9	998,993,755	1,208,896,724
		5,012,765,243	2,968,431,425
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	1,796,577,643	1,242,477,519
Provisions	11	93,797,873	77,898,199
		1,890,375,516	1,320,375,718
NET CURRENT ASSETS		3,122,389,727	1,648,055,707
		5,876,083,767	4,129,560,436
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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar Chairman	Charanbir Singh Sethi Managing Director	Sanjay Gupta Director	R. M. Aggarwal Director
Deepak Dasgupta Director	Anand Bordia Director	Kanwal Monga Director	Tarlochan Singh Director
Tapash K. Majumdar Chief Financial Officer	Deepak Nathani Company Secretary		

Date: 30.09.2008
Place: Gurgaon

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30

	SCHEDULES	2008 (RS.)	2007 (RS.)
INCOME			
Work Executed		5,332,583,592	3,304,180,001
Other Income	13	79,451,871	58,040,273
		5,412,035,463	3,362,220,274
EXPENDITURE			
Construction Expenses	14	3,736,781,115	2,112,996,980
Staff Expenses	15	395,562,365	304,833,619
General and Administration Expenses	16	271,268,591	170,017,413
Interest and Financial Charges	17	328,623,124	196,544,415
Depreciation		154,730,471	160,238,484
		4,886,965,666	2,944,630,911
Profit before Taxation		525,069,797	417,589,363
Taxation for the year			
-Current Tax		75,000,000	111,000,000
-Deferred Tax		39,164,273	(26,947,529)
-Fringe Benefit Tax		1,816,588	1,806,226
Profit after Tax		409,088,936	331,730,666
Add: Profit brought forward		862,313,560	658,991,041
Profit available for Appropriation		1,271,402,496	990,721,707
Appropriation			
Dividend			
- Interim Dividend		-	-
- Proposed Final Dividend		50,214,934	45,649,940
Dividend tax		8,531,517	7,758,207
Transfer to General Reserve		75,000,000	75,000,000
Balance Carried to Balance Sheet		1,137,656,045	862,313,560
		1,271,402,496	990,721,707
Earning per share of face value of Rs.10/- each			
-Basic		22.40	22.05
-Diluted		22.40	22.05
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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar Chairman	Charanbir Singh Sethi Managing Director	Sanjay Gupta Director	R. M. Aggarwal Director
Deepak Dasgupta Director	Anand Bordia Director	Kanwal Monga Director	Tarlochan Singh Director
Tapash K. Majumdar Chief Financial Officer	Deepak Nathani Company Secretary		

Date: 30.09.2008
Place: Gurgaon

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30

1. Share Capital

	2008 (RS.)	2007 (RS.)
AUTHORISED		
19,800,000 (19,800,000) Equity Shares of Rs. 10/- each	198,000,000	198,000,000
2,00,000 (2,00,000) Preference Shares of Rs. 10/- each	2,000,000	2,000,000
	200,000,000	200,000,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
18,259,976 (18259976/-) Equity Shares of Rs. 10/- each fully paid up	182,599,760	182,599,760
	182,599,760	182,599,760

2. Reserves & Surplus

	2008 (RS.)	2007 (RS.)
Foreign Project Reserve Account	10,540,851	10,540,851
Share Premium Account		
As at the commencement of year	1,420,627,028	-
Add: Addition for the Year	-	1,520,220,302
Less: Share Issue Expenses	-	99,593,274
	1,420,627,028	1,420,627,028
Foreign Currency Translation Reserve		
As at the commencement of year	(5,113,503)	-
Transfer From Profit & Loss Account	-	38,277,687
Add: Addition/(Deduction) for exchange	23,342,693	(43,391,190)
	18,229,190	(5,113,503)
General Reserve		
At the commencement of the year	283,887,151	258,317,656
Add: Transfer from Profit & Loss Account	75,000,000	75,000,000
Less - Deferred Tax upto 31.03.2007	-	49,430,505
	358,887,151	283,887,151
Profit & Loss Account		
At the commencement of the year	823,420,450	620,713,354
Add: Addition for the Year	350,342,483	277,707,096
Less- Transfer to general Reserve	75,000,000	75,000,000
	1,098,762,933	823,420,450
	2,907,047,153	2,533,361,977

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30**3. Secured Loans**

	2008 (RS.)	2007 (RS.)
From Banks		
Working Capital Borrowings	1,249,267,182	147,677,253
Term Loan	878,481,210	66,228,161
Term Loan- UTI	-	75,000,000
From Others		
Hire Purchase Finance	579,759,941	584,929,037
500-Floating Rate Secured Redeemable Non-Convertible Debentures	-	500,000,000
	2,707,508,333	1,373,834,451

Notes:

- a** Working Capital Borrowings are secured by a first charge over stock, book debts and other current assets of the company, second charge over fixed assets of the company, corporate guarantee of an associate company and personal guarantees of Promoter Directors.
- b** Term Loans availed from Banks are secured by a first charge on specific fixed assets, second charge on the current assets of the Company and personal guarantees of Promoter Directors. Term Loan from another institution is secured by subservient charge over entire assets of the company and also by personal guarantees of Promoter Directors.
- c** Hire Purchase Finance are secured by hypothecation of specific assets procured under the respective hire purchase and personal guarantees of some promoter directors.
- d** Hire Purchase Finance includes Rs. 1930.55 Lacs (Rs.2523 Lacs) falling due for payment within 12 months
- e** Term Loans includes Rs. 4582 .20 Lacs (Rs. 5188.15 Lacs) falling due for payment within 12 months.

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30

4. Fixed Assets

ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st July 2007	Additions During the period	Sales/ Adjustment During the period	As at 30th June 2008	As at 1st July 2007	For the Period	Adjustment During the period	As at 30th June 2008	As at 30th June 2008	As at 30th June 2007		
Land	36,809,885	3,416,000	-	40,225,885	-	-	-	-	40,225,885	36,809,885		
Building	3,101,230	161,338,359	-	164,439,589	5,124	2,320,117	-	2,325,241	162,114,348	3,096,117		
Temporary Sheds	102,146,290	36,847,912	-	138,994,202	98,470,571	24,419,133	12,270,191	110,619,513	28,374,688	3,675,717		
Plant and Machinery	959,119,695	683,630,514	(5,399,185)	1,648,149,393	266,495,290	78,326,540	(29,925,289)	368,747,119	1,279,402,274	692,624,404		
Tipper and Tractors	253,389,363	114,649,127	54,331,654	313,706,836	50,480,425	31,357,800	13,255,827	68,582,398	245,124,437	202,908,939		
Office Equipments and Computers	34,109,541	47,744,997	1,293,790	80,560,748	9,454,974	7,165,451	930,337	15,690,088	64,870,661	24,654,570		
Furniture and Fixtures	6,830,957	24,944,842	402,321	31,373,479	3,856,907	2,829,783	-	6,686,691	24,686,788	2,974,048		
Vehicles	51,373,260	56,986,930	(454,410)	108,814,601	11,484,193	8,311,647	413,643	19,382,198	89,432,403	39,889,067		
	1,446,880,221	1,129,558,681	50,174,170	2,526,264,732	440,247,484	154,730,471	2,944,709	592,033,248	1,934,231,484	1,006,632,747		
Capital work - in - progress	547,945,635	972,594	255,962,394	292,955,836	-	-	-	-	292,955,836	547,945,636		
	1,994,825,856	1,130,531,275	306,136,564	2,819,220,568	440,247,484	154,730,471	2,944,709	592,033,248	2,227,187,320	1,554,578,383		
Previous Year	1,207,775,865	1,002,335,562	215,285,565	1,994,825,856	323,883,004	160,238,490	43,874,015	440,247,475	1,554,578,383	883,892,848		

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30**5. Investments**

		2008 (RS.)	2007 (RS.)
Investment in Government and Trust Securities			
- National Saving Certificates			
(Pledged to Various Government Authorities)		132,500	132,500
Investment in Mutual Funds:			
- 10097497.957 Units of ABN AMRO FTP Quarely Series	100,978,314		
- 5012152.254 Units of Lotus India Quarterly FMP Series VI	50,121,522		
- 1996841.9825 Units of SBI Premier Liquid Fund	20,033,317		
- 4998674.053 Units of Lotus India Liquid Plus Fund	50,065,220		
- 6506207.527 Units of Sundram BNP Paribas Liquid Plus	65,094,606		
- 100415.319 Units of UTI Liquid Plus Fund	102,367,965		
- 42627.373 Units of Reliance Liquid Plus Fund	11,758,684		400,419,627
Market Value of Quoted Investments - Rs Nil (Previous Year - Rs.4,01,684,365/-)			
Investment in Subsidiaries:			
- 44687422 Equity Shares of C and C Projects Ltd. of Rs.10/- each at cost		446,874,220	446,874,220
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		29,500,000	29,500,000
		526,506,720	926,926,347

6. Inventories

		2008 (RS.)	2007 (RS.)
As certified by the management			
(Valued at cost or net realisable value whichever is lower)			
Raw material		746,519,591	230,914,325
Stores, Spares and Consumables		105,085,909	51,503,060
Work in Progress		1,191,800,490	481,140,636
Material in Transit		17,069,254	1,165,071
		2,060,475,244	764,723,092

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30**7. Sundry Debtors**

	2008 (RS.)	2007 (RS.)
Unsecured		
Debts outstanding for a period exceeding six months -		
-Considered good	32,660,348	96,231,823
-Considered Doubtful	18,614,337	18,614,337
Others - Considered good	1,397,427,820	583,407,940
	1,448,702,505	698,254,100
Less Provision for Bad & doubtful Debt	18,614,337	-
	1,430,088,168	698,254,100

8. Cash and Bank Balances

	2008 (RS.)	2007 (RS.)
Cash in hand	10,838,210	9,712,002
Balances with scheduled banks		
- in Current Accounts	92,736,900	30,567,985
- in Fixed Deposit Accounts	419,562,500	249,781,305
Balance with non-scheduled banks		
- in Current Accounts	70,466	6,496,217
	523,208,076	296,557,509

9. Loans and Advances

	2008 (RS.)	2007 (RS.)
Advances Recoverable in cash or kind or for value to be received	826,529,506	420,925,238
Security Deposits	22,776,675	5,740,375
Balance with Joint Ventures	49,953,861	770,024,012
Advance Tax (Net of Provisions)	99,733,713	12,207,099
	998,993,755	1,208,896,724

SCHEDULES TO THE BALANCE SHEET AS AT JUNE 30**10. Current Liabilities**

	2008 (RS.)	2007 (RS.)
Sundry Creditors	852,882,676	681,833,746
Acceptances	450,916,844	258,749,993
Interest Accrued but not due	8,661,405	6,980,822
Other Liabilities	484,116,718	294,912,958
	1,796,577,643	1,242,477,519

11. Provisions

	2008 (RS.)	2007 (RS.)
Fringe Benefit Tax	1,514,519	848,925
Proposed Dividend	50,214,934	45,649,939
Dividend Tax	8,531,517	7,758,207
Employee retirement benefits	33,536,903	15,203,980
Other Provision	0	8,437,148
	93,797,873	77,898,199

12. Deferred Tax Liabilities (Net)

	2008 (RS.)	2007 (RS.)
Deferred Tax Liability		
Depreciation - Difference in Depreciation for accounting and tax purpose	109,496,122	70,331,849
Less: Deferred Tax Assets		
Retirement benefits	30,567,601	30,567,601
	78,928,521	39,764,248

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30**13. Other Income**

	2008 (RS.)	2007 (RS.)
Dividend Income	8,893,602	17,039,365
Exchange Gain (net)	44,435,431	-
Miscellaneous Income	26,122,838	41,000,908
	79,451,871	58,040,273

14. Construction Expenses

	2008 (RS.)	2007 (RS.)
Cost of Material		
Raw Materials and Components	3,948,667,070	1,403,309,480
Stores, Spares and Consumables	433,338,202	369,183,476
	4,382,005,272	1,772,492,956
Add: Opening Stock		
Raw Material & Stores	283,582,456	162,391,090
Work in Progress	481,140,636	308,182,667
Less: Closing Stock		
Raw Material & Stores	868,674,754	283,582,456
Work in Progress	1,191,800,490	481,140,636
	3,086,253,120	1,478,343,621
Project Execution Expenses		
Sub-Contractor charges	233,651,789	146,226,131
Site Development Expenses	115,577,138	156,801,293
Hire Charges	60,770,541	181,760,183
Repair and Maintenance		
- Plant & Machinery	187,129,881	92,182,368
- Vehicles	43,176,737	19,408,502
- Others	2,979,217	4,938,661
Works Contract Tax	3,136,566	32,525,835
Consumables	395,776	222,963
Electricity Expenses	3,710,350	587,423
	650,527,995	634,653,359
	3,736,781,115	2,112,996,980

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30**15. Staff Expenses**

	2008 (RS.)	2007 (RS.)
Salaries, Wages and Bonus	318,848,373	253,489,274
Contribution to and Provision for:		
Provident Fund	11,056,947	6,810,601
Gratuity	5,036,513	3,244,083
Leave Encashment	14,001,296	7,933,637
Staff Welfare	46,619,236	33,356,024
	395,562,365	304,833,619

16. General and Administration Expenses

	2008 (RS.)	2007 (RS.)
Travelling and Conveyance	16,417,656	17,155,269
Printing and Stationery	7,495,505	4,148,712
Communication	8,494,461	7,429,018
Electricity	2,292,325	291,197
Legal and Professional	50,277,715	29,978,003
Rent	7,011,529	8,928,077
Rates and Taxes	12,386,594	6,579,069
Insurance	30,987,959	25,053,020
Auditors Remuneration	1,531,771	824,601
Loss on sale of Fixed Assets	3,449,511	2,615,258
Miscellaneous Expenses	112,309,229	67,015,189
Provision for Bad Debt	18,614,337	-
	271,268,591	170,017,413

17. Interest and Finance Charges

	2008 (RS.)	2007 (RS.)
Interest	299,568,534	161,519,696
Commission on Bank guarantee and letter of Credit	53,480,195	42,273,284
Bank Charges	12,648,482	6,571,845
	365,697,211	210,364,825
Less: Interest Income	37,074,087	13,820,410
	328,623,124	196,544,415

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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 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, after reducing accumulated depreciation up to the date of the balance sheet. Cost includes duties & taxes and does not include inwards freight & incidental expenses related to acquisition and Installation of the assets.

Intangible assets comprise of licence fees 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.

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 except Depreciation on Plant & Machinery deployed at Afghanistan Projects is being charged at a rate higher than the stipulated by the Companies Act 1956, based on the useful life of the Asset, as estimated by the Management. The useful life of such assets is follows:

ASSETS	YEARS
Plant & Machinery (Crusher, WMM, HMP & Batching Plant)	2
Plant & Machinery	7
Tipper & Tractor (Second Hand)	2

- b Depreciation on certain assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life of the Asset, as estimated by the Management.
- 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/- have been depreciated at hundred percent.

4. Investments

Investments are valued at cost of acquisition. No provision for diminution in value, if any, has been made considering the same as temporary in nature.

5. 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 are valued on the basis of percentage completion method at the rates provided

C & C CONSTRUCTIONS

in the contract reduced by an estimated percentage towards expected profit.

6. Retirement Benefits to Employees

Company's contribution to provident fund is charged to profit and loss account on actual liability basis. Provision for Gratuity and Leave encashment benefit is determined on actuarial valuation carries out as at the balance sheet date. Provision for leave encashment is made on actual liability basis for the leave out standing as at the year end.

7. Revenue Recognition

Revenue is recognised as follows:

a Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method, on the basis of physical measurement of work actually completed on the balance sheet date. 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.

- b** 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.
- c** Insurance claims are accounted for on cash basis.
- d** All other expenses and income are accounted for on accrual basis.

8. 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.

9. 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 period. Deferred Tax Assets is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be adjusted in future.
- c** Provision for taxation has been made on the taxable income up to 31st March, 2008. Provision for tax, if any, in respect of income accrued during the period 1st April, 2008 to 30th June, 2008 would be determined and provided with reference to the profit, if any, for the year ended 31st March, 2009.

10. Foreign Currency Transactions, Foreign Operations, and Forward Contracts

- a** The reporting currency of the Company is Indian Rupee.
- b** Foreign Branches have been classified as non-integral foreign operations and financial statement are translated as under:
- i Assets and liabilities (both Monetary and Non-Monetary) at the rate prevailing at the end of the year.
 - ii Revenue and Expenses at yearly average Exchange Rates prevailing during the year Exchange difference arising on translation of non integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of such foreign operation.

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 differences in translation of monetary assets and liabilities and realised gains or losses on exchange transaction are recognised in the profit and loss account.

11. 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.

12. 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).

13. Leases

- a** 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.

- b** 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.

14. 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.

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.

B. NOTES TO ACCOUNTS**1. Contingent liabilities not provided for:**

		JUNE 30, 2008 (RS. LAKHS)	JUNE 30, 2007 (RS. LAKHS)
a)	Claims against the Company not acknowledged as debts.	669.20	669.20
b)	Statutory Liability that may arise in respect of matter in appeal	38.06	38.06
c)	Outstanding bank guarantees (excluding performance obligations)	26894.29	12262.04
d)	Outstanding letter of credit	9769.24	8612.88
e)	Corporate guarantee given on behalf of associates/joint venture entities/subsidiaries	26000.00	3375 .00

Capital Commitments

Estimated amount of Contract (net of advances) remaining to be executed on Capital Account and not provided for Rs. Nil lacs (Rs. 1825.20 lacs).

- 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.
- 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:

	2008		2007	
	Rs.	%	Rs.	%
Raw material, stores and spares				
- Imported	453,980,050	15%	388,831,762	24%
- Indigenous	2,632,273,070	85%	1,262,469,828	76%
	3,086,253,120	100%	1,651,301,590	100%

4. Earnings in Foreign Currency

	2008 (RS.)	2007 (RS.)
Overseas Project Services	671,602,468	1,202,586,031
Export of Goods	-	-
	671,602,468	1,202,586,031

5. CIF Value of Imports

	2008 (RS.)	2007 (RS.)
Capital Expenditure at overseas projects	3,597,295	11,210,517
Capital Expenditure in India	529,772,066	110,592,739
Raw Material at overseas projects	315,094,914	140,081,045
Import of Goods	138,885,136	28,594,637
	1,057,349,411	290,478,938

6. Expenditure in Foreign Currency

	2008 (RS.)	2007 (RS.)
Expenditure incurred at overseas contract.	524,329,236	937,069,933
Travelling Expenses	1,844,371	712,806
	526,173,607	937,782,739

7. Managerial Remuneration

	2008 (RS.)	2007 (RS.)
Salaries and Perquisites	36,000,000	28,565,000
Contribution to Provident Fund	37,440	37,440
	36,037,440	28,602,440

8. Auditor's Remuneration

	2008 (RS.)	2007 (RS.)
Audit Fees	1,179,780	533,710
Tax Audit Fees	303,372	138,918
Others	48,619	151,973
	1,531,771	824,601

C & C CONSTRUCTIONS

9. Disclosures pursuant to Accounting Standard (AS) 7 (Revised):

	2008 (RS.)	2007 (RS.)
i. Contract revenue recognised for the year ended June 30, 2008	5,332,583,592	3,304,180,001
ii. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to June 30, 2008	6,524,384,082	3,785,320,636
iii. Amount of Customer Advance outstanding for contracts in progress as at June 30, 2008	788,933,404	584,929,038
iv. Amount of retentions due from customers for contracts in progress as at June 30, 2008	23,81,54,850	98,902,196

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 assets.

SEGMENT	2008			
	INDIAN (RS.)	OVERSEAS (RS.)	UN-ALLOCATED (RS.)	TOTAL (RS.)
Revenue				
Sales & Services	4,714,689,561	617,894,031	-	5,332,583,592
Other Income	25,743,434	53,708,437	-	79,451,871
Total Revenue	4,740,432,995	671,602,468	-	5,412,035,463
Segment Result (Profit Before Interest & Tax)				
	813,194,147	145,956,400	-	959,150,547
Unallocable Expenditure	-	-	105,457,627	105,457,627
Interest	320,021,634	8,601,490	-	328,623,124
Profit Before Taxation	493,172,513	137,354,910	(105,457,627)	525,069,796
Provision for Taxation				
-Current Tax	75,000,000	-	-	75,000,000
-Deferred Tax	39,164,273	-	-	39,164,273
-Fringe Benefit Tax	1,816,588	-	-	1,816,588
Profit After Taxation	377,191,652	137,354,910	(105,457,627)	409,088,935
Other Segment Information				
Segment Assets	6,959,754,031	806,705,253	-	7,766,459,283
Segment Liabilities	1,548,490,415	347,228,428	-	1,895,718,842
Capital Expenditure (Including Capital Work-in-progress)	2,340,258,680	478,961,890	-	2,819,220,569
Depreciation	245,627,871	346,405,378	-	592,033,248

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 Ltd.
 Case Components Ltd.
 Case Component Industries Ltd.
 S.J. Leasing & Investment (P) Ltd.
 International Trenching (P) Ltd.
 Frontline Innovation (P) Ltd.
 Kims Wardak Diagnostic Centre Pvt Ltd.
 Mudit Cement Ltd.
 BSC-C and C-Kurali Toll Road Ltd.
 BSC-C & C-JV Nepal (P) Ltd.
 C and C Corporate Services Ltd.

(ii) Joint Venture

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

(iii) Subsidiary Company

C and C Projects Ltd

(iv) Key Managerial Personnel

Board of Directors

G.S. Johar
 C.S. Sethi
 Rajbir Singh
 Sanjay Gupta
 A.P.S. Chadha
 R.M. Aggarwal

(v) Relatives of Key Managerial Personnel

C.S. Sethi (HUF)
 Sunita Singh Sethi
 Sumeet Johar
 Indrajit Kaur Chadha
 Sukvinder Kaur
 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

C & C CONSTRUCTIONS

(vi) Summary of transactions during the year :

	ASSOCIATE COMPANIES	JOINT VENTURES	KEY MANAGERIAL PERSONNEL	RELATIVE OF KEY MANAGERIAL PERSONNEL	SUBSIDIARY	TOTAL
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Income						
Sales and Services	145,919,740	4,134,064,338	-	-	-	4,279,984,078
Other income	-	58,947,180	-	-	-	58,947,180
Expenditure						
Material and Project Execution expenses	-	2,940,424,636	-	-	-	2,940,424,636
Salaries and wages	-	331,006,888	36,000,000	7,95,000	-	367,801,888
General and Administration Expenses	-	127,331,435	-	900,000	-	128,231,435
Depreciation	-	107,495,516	-	-	-	107,495,516
Interest	-	251,763,477	-	-	-	251,763,477
Dividend paid						
Preference Dividend	-	-	-	-	-	-
Dividend	13,542,900	-	17,266,063	802,082	-	31,611,045
Purchase/ sale of fixed assets	-	304,201,123	-	-	-	304,201,123
Investment	79,500,000	-	-	-	446,874,220	526,374,220
Balance outstanding at the year end:						
Accounts receivable	55,447,913	1,167,607,190	-	-	-	1,223,055,103
Advances recoverable	3,536,301	654,632,538	-	-	-	658,168,839
Current liabilities	-	1,164,712,924	8,153,853	45800	-	1,172,912,577
Guarantees provided						
-Bank Guarantee	-	1,546,600,977	-	-	-	1,546,600,977
-Corporate Guarantee	2,600,000,000	-	-	-	-	2,600,000,000

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 30.06.08 (RS. LACS)	AMOUNT OUTSTANDING AS AT 30.06.07 (RS. LACS)	MAXIMUM BALANCE OUTSTANDING DURING THE YEAR (RS. LACS)	INVESTMENT IN SHARES OF THE COMPANY NO. OF SHARES
Case Components Ltd	Associate	-	145.00	201.00	-
International Trenching Pvt Ltd	Associate	8.55	7.00	8.55	-
Case Cold Roll Forming Ltd	Associate	-	44.00	786.00	-
Case Components Industries Ltd	Associate	-	-	-	-
Frontline Innovation (P) Ltd	Associate	26.80	-	26.80	-

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	COMPANY'S SHARE OF				
		Assets	Liabilites	Income	Expenses	Tax
		As at 30th June 2008			For the year	
BSC-C & C 'JV'	Jointly Controlled Operations (Construction of roads)	41,603.18 (25,357.63)	41,603.18 (25,357.63)	41,930.12 (22,290.12)	37,580.21 (22,183.08)	750.00 (1100.00)
BLA-CISC-C & C 'JV'	Jointly Controlled Operations (Construction of roads)	25.63 (25.63)	25.63 (25.63)	0.26 (0.26)	- -	- -
C & C SE JV	Jointly Controlled Operations (Construction of Water Sewerage)	274.52 -	274.52 -	10.97 -	90.72 -	- -
Total		41903.33 (25,383.26)	41903.33 (25,383.26)	41941.35 (22,290.38)	37670.93 (22,183.08)	750.00 (1,100.00)

b Contingent liabilities, incurred in relation to interests in Joint Ventures as on 30th June 2008 is Rs.15466 lacs (Rs. 9987.29 lacs)

c Capital commitments, incurred in relation to interests in Joint Ventures as on 30th June 2008 is Rs. Nil (Rs. Nil)

14. Based on the information available, there are no SSI and ancillary undertakings with the Company is currently dealing.

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

	2008 (RS.)	2007 (RS.)
In Current Accounts		
DA Afghanistan Bank, Kabul	6,085	5,767
Kabul Bank	64,382	21,332

Maximum balance held in non-scheduled banks During the period / year

	2008 (RS.)	2007 (RS.)
In Current Accounts		
DA Afghanistan Bank, Kabul	6,085	5,767
Kabul Bank	64,382	84,79,323

16. Sundry Debtors, Creditors, Loans & Advances, some of the bank accounts and some fixed deposits as on 30th June 2008 are generally subject to confirmation/ adjustment and reconciliation.

17. Computation of Basic & Diluted Earnings per Share (“EPS”).

Profit after tax as per Accounts	409,088,935
Profit attributable to equity share holders	409,088,935
Weighted Average no of Shares	18,259,976
Basic EPS (Rupees)	22.40

18. Sundry Debtors includes Rs. 554.48 Lacs (Rs.876.14 Lacs) amount due from Associates Companies in which the Directors of the Company are interested. The maximum amount outstanding at any time during the year Rs.984.43 lacs.
19. During the Year ended June 30, 2007, the Company had allotted 42,70,647 equity shares of Rs. 10/- each at a price of Rs. 291/- aggregating to Rs. 124,27,58,277/-.

The details of the funds received from such allotment, including share premium, and utilization of such funds are given below:

(Rs. in lacs)

PARTICULARS	AMOUNT RECEIVED	TOTAL UTILISED
Funds received through IPO proceeds	12427.58	
Augmenting working Capital Requirements		2,500.00
Investment in BOT & Capital Equipment		8931.63
Issue Expenses		995.95
Total	12427.58	12,427.58

20. Leases**Finance Lease**

Assets acquired on finance lease mainly comprise, tippers and tractors, Excavator, Motor Grader, crusher and cars. The lease have a primary period which is fixed and non cancellable. There are no exceptional/ restrictive covenants in the lease agreements. The minimum lease rentals and present value of minimum lease payments as on 30th June, 2008 in

respect of assets acquired under finance leases are as follows:

		(Rs. in Crores)	
		MINIMUM LEASE PAYMENT	PRESENT VALUE OF MINIMUM LEASE PAYMENT
i.	Payable not later than 1 year	24.40	19.40
ii.	Payable later than 1 year and not later than 5 years	47.50	38.58
iii.	Payable later than 5 years	71.90	57.98

21. 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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner

M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Deepak Dasgupta
Director

Tapash K. Majumdar
Chief Financial Officer

Charanbir Singh Sethi
Managing Director

Anand Bordia
Director

Deepak Nathani
Company Secretary

Sanjay Gupta
Director

Kanwal Monga
Director

R. M. Aggarwal
Director

Tarlochan Singh
Director

Date: 30.09.2008

Place: Gurgaon

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2008

(RS. IN LACS)

		2008		2007	
A.	NET CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax		5,250.70		4,175.89
	Depreciation	1,547.31		1,602.38	
	Dividend Income	(88.93)		(170.39)	
	Loss on Sale of Fixed Assets	34.50		26.15	
	Interest Received	-		-	
	Interest/Finance Charges	3,286.23		1,965.44	
	Exchange Gain/ Loss on Non Integral branch	233.43	5,012.54	(440.06)	2,983.52
	Operating Profit before Working Capital Changes		10,263.24		7,159.41
	(Increase)/Decrease in Sundry Debtors	(9,358.38)		(5,104.14)	
	(Increase)/Decrease in Inventories	(12,957.52)		(2,941.49)	
	(Increase)/Decrease in Loans and Advances and Provisions	2,099.03		(6,376.58)	
	Increase/(Decrease) in current liabilities	5,541.00		4,446.26	
	Increase/(Decrease) in provision	974.23	(13,701.64)	127.70	(9,848.25)
	Cash Generated from Operations		(3,438.40)		(2,688.84)
	Income Taxes Paid		1,636.78		1,119.57
	Cash Flow from Operating Activities		(5,075.18)		(3,808.41)
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	(Increase)/Decrease in Investment	4,004.19		(9,267.94)	
	Purchase of Fixed assets	(8,745.69)		(9,320.36)	
	Sale of Fixed Assets	437.79		984.97	
	Dividend Received	88.93		170.39	
	Net Cash Flow from Investing Activities		(4,214.78)		(17,432.94)

(RS. IN LACS)

		2008	2007
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Secured Loans	19,086.74	3,765.08
	Repayment of Secured Loans	(5,000.00)	(355.10)
	Proceeds/(Repayment)of short term loans	(750.00)	(527.69)
	Proceeds from Share Capital		547.88
	Share Premium		14,206.27
	Proceeds From non Convertible debenture		5,000.00
	Advance From employer	2,040.04	1,613.24
	Interest / Finance Charges Paid	(3,286.23)	(1,965.44)
	Dividend / Dividend Tax Paid	(534.09)	(242.90)
	Net Cash Flow from Financing Activities	11,556.46	22,041.34
	NET INCREASE/(DECREASE), in Cash and Cash Equivalents	2,266.50	800.00
	CASH AND CASH EQUIVALENTS, at the beginning of the year	2,965.58	2,165.58
	CASH AND CASH EQUIVALENTS, at the end of the year	5,232.08	2,965.58

This is the Cash Flow Statement referred to in our report of even date.

**For ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner

M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Deepak Dasgupta
Director

Tapash K. Majumdar
Chief Financial Officer

Charanbir Singh Sethi
Managing Director

Anand Bordia
Director

Deepak Nathani
Company Secretary

Sanjay Gupta
Director

Kanwal Monga
Director

R. M. Aggarwal
Director

Tarlochan Singh
Director

Date: 30.09.2008

Place: Gurgaon

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details																	
Registration No.						State Code											
8	0	4	0	1						5	5						
Balance Sheet Date																	
3	0		0	6		2	0	0	8								
Date			Month			Year											
II. Capital raised during the year (Amount in Rs. Thousands)																	
Public Issue						Rights Issue											
N	I	L				N	I	L									
Bonus Issue						Private Placement											
N	I	L				N	I	L									
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)																	
Total Liabilities						Total Assets											
5	8	7	6	0	8	3				5	8	7	6	0	8	3	
Sources of Funds						Reserves and Surplus											
Paid-up Capital																	
1	8	2	6	0	0					2	9	0	7	0	4	7	
Secured Loans						Unsecured Loans											
2	7	0	7	5	0	8				N	I	L					
Deferred Tax Assets (Net)																	
7	8	9	2	8													
Application of Funds						Investments											
Net Fixed Assets																	
2	2	2	7	1	8	7				5	2	6	5	0	6		
Net Current Assets						Misc. Expenditure											
3	1	2	2	3	8					N	I	L					
Accumulated Losses																	
N	I	L															
IV. Performance of Company (Amount in Rs. Thousands)						Total Expenditure											
Turnover																	
5	4	1	2	0	3	5				4	8	8	6	9	6	5	
(Please tick Appropriate box)						Profit/Loss after Tax											
Profit/Loss before Tax																	
+for Profit, - for Loss)																	
+		5	2	5	0	6	9			+		4	0	9	0	8	8
Earning Per Share in Rs.						Dividend rate (%)											
2	2	.	4	0						2	7	.	5	0			
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

Charanbir Singh Sethi
Managing Director

Sanjay Gupta
Director

R. M. Aggarwal
Director

Deepak Dasgupta
Director

Anand Bordia
Director

Kanwal Monga
Director

Tarlochan Singh
Director

Tapash K. Majumdar
Chief Financial Officer

Deepak Nathani
Company Secretary

Date: 30.09.2008
Place: Gurgaon

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

NAME OF SUBSIDIARY FINANCIAL YEAR OF THE SUBSIDIARY COMPANY ENDED ON		C AND C PROJECTS LTD. 31.03.2008
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
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 31.03.08 • For the Previous Financial years of Subsidiary since it became the subsidiary of C & C Constructions Ltd.	(7,59,073) (8,200)
	b) Dealt with or provisions is made for losses in the accounts of C & C Constructions Ltd. • For the Subsidiary's Financial Year ended 31.03.08 • For the Previous Financial years of Subsidiary since it became the subsidiary of C & C Constructions Ltd.	Nil N.A.
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 Nil Rs.7,20,60,000 Nil Nil

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Charanbir Singh Sethi
Managing Director

Sanjay Gupta
Director

R. M. Aggarwal
Director

Deepak Dasgupta
Director

Anand Bordia
Director

Kanwal Monga
Director

Tarlochan Singh
Director

Tapash K. Majumdar
Chief Financial Officer

Deepak Nathani
Company Secretary

Date: 30.09.2008
Place: Gurgaon

C AND C PROJECTS LTD.

directors' report

To the Members

Your Directors have pleasure in presenting the Second Annual Report and Audited Accounts of the Company for the year ended 31st March, 2008

Financial Results

	CURRENT YEAR (IN RS.)	PREVIOUS YEAR (IN RS.)
Turnover	Nil	Nil
Expenditure	10,98,020	12,360
Profit (Loss) before taxation	(10,98,020)	(12,360)
Deferred Tax	3,38,947	4,160
Profit (Loss) after taxation	(7,59,073)	(8,200)
Loss brought forward from the previous year	8,200	Nil
Profit (loss) carried over to Balance sheet	(7,67,273)	(8,200)

Dividend

To strengthen the financial position of the Company, your Directors do not recommend any dividend for the year under consideration.

Responsibility Statement of the Board of Directors

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- a In the preparation of annual accounts under review the applicable accounting standards have been followed.
- b Appropriate accounting policies were selected and applied consistently and reasonable and prudent

judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year under review and of the profit of the company for that period.

- c Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d The annual accounts are prepared on a going concern basis.

Director

During the year Mr. Anand Bordia was appointed as Independent Director of the Company.

Auditors

M/s ASG & Associates, Chartered Accountant, the Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Audit Committee

The audit committee consists of Mr. Gurjeet Singh Johar, Mr. Rajbir Singh and Mr. Sanjay Gupta all non-executive directors of the Company. The role, terms of reference, the authority and powers of the audit committee are in conformity with the requirements of the Companies Act, 1956. The committee met periodically during the year.

C AND C PROJECTS**Conservation of energy, research and development, technology absorption, foreign exchanges Earning and outgo**

The particulars required in this respect of conservation of energy, research and development, technology absorption, foreign exchanges earning and outgo are not applicable to the Company.

Particulars of employees

Information as per section 217(2A) of the Companies act, 1956 regarding persons drawing salary of Rs. 2,00,000/- or more per month has not been given as the Company did not employ any such person during the year.

Public Deposits

During the year your Company has not accepted any public deposits from the public.

Acknowledgement

Board acknowledges support of our Banker & co-operation of the Govt. Agencies.

BY ORDER OF THE BOARD

Gurjeet Singh Johar
(CHAIRMAN)

Place: Gurgaon (Haryana)

Dated: 1st September, 2008

auditors' report

To the Members

C AND C PROJECTS LIMITED

1 We have audited the attached Balance Sheet of C AND C PROJECTS LIMITED as at March 31, 2008 and also the Profit and Loss Account and Cash Flow Statement for the period 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 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, 2003 as amended by Companies (Auditor's Report) Amendment 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 account as required by law have been kept by the Company so far as 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 directors as on 31st March 2008 and taken on record by the board we report that none of the directors is disqualified for being appointed as directors 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

C AND C PROJECTS

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 31st March 2008;
- (ii) in the case of profit and loss account, of the loss of the company for the period ended on that date, and
- (iii) in the case of the cash flow statement, of the cash flow for the period ended on that date.

For ASG & Associates
Chartered Accountants

Amar Jeet Singh
Partner

Dated : 01.09.2008
Place : Gurgaon

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**To the Shareholders of C And C Projects Limited on the Accounts for the Year Ended 31st March 2008.**

- i** The company has no fixed assets, hence clause 4(i)(a),(b),(c) of the Order is not applicable.
- ii** The company has no inventory during the year at any time, hence clause 4(i)(a),(b),(c) of the Order is not applicable.
- iii** a The company has neither granted nor taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence provisions of clauses of paragraph 4(iii) (a), (b), (c), (d), (e), (f) and (g) of the Order are not applicable
- iv** In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 weaknesses have been noticed in the internal control systems.
- v** a In our opinion there are no contracts or arrangement particular of which are needed to be entered into the register maintained under section 301 hence provision of 4(v)(a) & (b) of the Order are not applicable.
- vi** In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public under the provisions of sections 58A, 58AA or any other relevant provisions of the Act.
- 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 services carried out by the company.
- ix** In respect of statutory dues :
 - a According to the records of the company, There are not undisputed statutory dues including Provident Fund, employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, education Cess & higher education cess and other statutory dues.
- x** The company has accumulated losses amounting to Rs.7.67 Lacs at the end of the financial period under audit and it has incurred cash losses amounting to Rs.0.69 Lacs during the financial period under audit and Rs.0.12 Lacs in the immediately preceding financial year.
- xi** Company has not taken any loan from financial institution, bank or debenture holder hence clause

C AND C PROJECTS

4(xi) of the Order is not applicable.

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 statute relating to chit fund are applicable. Accordingly paragraph (xiii) of the order is not applicable.

xiv According to the information and explanations given by management, the company is not dealing or trading in shares, securities, debentures and other investments except investments in closely held companies, which are related to the company. All the investments are held by the company in its own name.

xv In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from Banks or financial institutions hence clause 4(xv) of the Order is not applicable.

xvi In our opinion and according to the information and explanations given to us, no term loan has been taken hence clause 4(xvi) of the Order is not applicable.

xvii Based on our examination of the balance sheet of the company as at 31st March 2007, 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 any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956, during the year.

xix The company has not issued any debentures during the period ending on 31st March 2007. Accordingly, paragraph 4(xix) of the order is not applicable.

xx During the period ending on 31st March 2008, the company has not raised money by way of public issue. Accordingly, paragraph 4(xx) of the order is not applicable.

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.

BALANCE SHEET AS AT 31ST MARCH 2008

	SCHEDULES	2008 (RS.)	2007 (RS.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	446,874,280	500,000
Share Application Money Pending Allotment		-	5,361,280
		446,874,280	5,861,280
APPLICATION OF FUNDS			
Investments	2	257,786,160	244,980
CURRENT ASSETS, LOANS AND ADVANCES		183,875,222	500,000
LESS :CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities		13,482	41,060
NET CURRENT ASSETS		183,861,740	458,940
Deferred Tax Assets		343,107	4,160
Profit & loss A/c		767,273	8,200
Miscellaneous Expenditure	5	4,116,000	5,145,000
		446,874,280	5,861,280
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	6		

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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Director

Charanbir Singh Sethi
Director

Date: 01.09.2008

Place: Gurgaon

C AND C PROJECTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH

	SCHEDULES	2008 (RS.)	2007 (RS.)
INCOME		-	-
	Total	-	-
EXPENDITURE			
Bank Charges		1,000	-
Printing & Stationary		10,000	-
Legal & Professional		2,686	-
ROC Fees		10,190	-
Auditor Remuneration		45,144	12,360
Preliminary Expenses written off		1,029,000	-
	Total	1,098,020	12,360
Profit / loss before taxation		(1,098,020)	(12,360)
Taxation for the year			
-Current Tax		-	-
-Deferred Tax		338,947	4,160
Profit / loss after tax		(759,073)	(8,200)
Profit/Loss for earlier years		(8,200)	-
Profit carried forward to balance sheet		(767,273)	(8,200)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	6		

The schedules referred to above and the notes thereon form an integral part of the profit and loss account.

**For ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Director

Charanbir Singh Sethi
Director

Date: 01.09.2008

Place: Gurgaon

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

1. Share Capital

	2008 (RS.)	2007 (RS.)
AUTHORISED		
10,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 10,00,00,000 Share)	1,000,000,000	1,000,000,000
Total	1,000,000,000	1,000,000,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
4,46,87,428 Equity Shares of Rs. 10/- each fully paid up (Previous Year 50,000 Share)	446,874,280	500,000
Total	446,874,280	500,000

2. Investment

	2008 (RS.)	2007 (RS.)
24,498 Equity share of BSC-C and C Kurali Toll Road Limited of Rs. 10 each at cost (Previous year 24,498 Equity Share)	244,980	244,980
Share Application Money Pending Allotment	257,541,180	-
Total	257,786,160	244,980

3. Current Assets, Loans & Advances

	2008 (RS.)	2007 (RS.)
Cash and Bank Balances		
Cash in hand	500,000	500,000
Cash at Bank	183,375,222	-
Total	183,875,222	500,000

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

4. Current Liabilities

	2008 (RS.)	2007 (RS.)
Sundry Creditor	9,963	41,060
Other Liabilities	3,519	-
Total	13,482	41,060

5. Miscellaneous Expenditure

	2008 (RS.)	2007 (RS.)
Preliminary Expenses (To the extent not written off or adjusted)	4,116,000	5,145,000
Total	4,116,000	5,145,000

Schedules 6

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 Generally Accepted Accounting Principles (GAAP) issued by the Institute of Chartered Accountants of India to the extent applicable.

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. Examples of such estimates include the useful lives of fixed assets

and intangible assets, provision for doubtful debts/ advances, expenses for defect liability period, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates.

2. Revenue Recognition

Revenue is recognised on accrual basis as per accounting standard applicable in India.

3. Preliminary Expenses

Preliminary have been written off over a period of five years.

4. 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 period. Deferred Tax Assets is recognised and

carried forward only to the extent that there is reasonable certainty that the asset will be adjusted in future.

Notes to Accounts

1. Contingent liabilities - Nil
2. Previous year's figures have been regrouped/ rearranged to make them comparable with that of current year..
3. Related parties
 - i C & C Construction Ltd. - Holding Company
 - ii BSC-C and C Kurali Toll Road Ltd.
 - iii Gurjeet Singh Johar
 - iv Charanbir Singh Sethi
 - v Sanjay Gupta

4. Transaction with related parties
Share Application Money to BSC C and C Kurali Toll Road Ltd. – Rs.25,75,41,180/-
5. Based on the information available, there are no SSI and ancillary undertaking with whom company is currently dealing.
6. In the opinion of the management the current assets, loan and advances if realised in the ordinary course of business, would yield at least value as stated in the balance sheet.

7. Deferred tax :-

	31.03.2008	31.03.2007
DTA on carried forward of losses	Rs.343107/-	Rs.4160/-
Total	Rs.343107/-	Rs.4160/-

8. Additional information - Nil

Signature to Schedules 1 to 6 in terms of our attached report of even date.

For ASG & Associates Chartered Accountants

Amar Jeet Singh
Partner

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Director

Charanbir Singh Sethi
Director

Date: 01.09.2008

Place: Gurgaon

C AND C PROJECTS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

		MAR-08	MAR-07
A.	NET CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	(1,098,020)	(12,360)
	Depreciation	-	-
	Interest Received	-	-
	Operating Profit before Working Capital Changes	(1,098,020)	(12,360)
	(Increase)/Decrease in Sundry Debtors	-	-
	(Increase)/Decrease in Loans & Advances	-	-
	(Increase)/Decrease in current liabilities	(27,578)	41,060
		(27,578)	41,060
	Cash Generated from Operations	(1,125,598)	28,700
	Income Taxes Paid	-	-
	Cash Flow from Operating Activities	(1,125,598)	28,700
B.	CASH FLOW FROM INVESTING ACTIVITIES	-	-
	Investment	(257,541,180)	(244,980)
	Cash flow from investment activity	(257,541,180)	(244,980)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share Capital	446,374,280	500,000
	share application money	(5,361,280)	5,361,280
	Preliminary Exp.	1,029,000	(5,145,000)
	Net Cash Flow from Financing Activities	442,042,000	716,280
	NET INCREASE/(DECREASE), in Cash and Cash Equivalents	183,375,222	500,000
	CASH AND CASH EQUIVALENTS, at the beginning of the year	500,000	-
	CASH AND CASH EQUIVALENTS, at the end of the year	183,875,222	500,000

For ASG & Associates
Chartered Accountants

Amar Jeet Singh
Partner

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Director

Charanbir Singh Sethi
Director

Date: 01.09.2008
Place: Gurgaon

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details																		
			CIN				State Code											
			U74999HR2007PLC036644															
			Balance Sheet Date															
			3	1		0	3		2	0	0	8						
			Date		Month		Year											
II. Capital raised during the year (Amount in Rs. Thousands)																		
			Public Issue				Rights Issue											
			N	I	L													
			Bonus Issue				Private Placement											
			N	I	L						4	4	6	8	7	4		
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)																		
			Total Liabilities				Total Assets											
			4	4	6	8	7	4					4	4	6	8	7	4
Sources of Funds			Paid-up Capital				Reserves and Surplus											
			4	4	6	8	7	4					N	I	L			
			Secured Loans				Unsecured Loans											
			N	I	L								N	I	L			
			Deferred Tax Assets (Net)															
			3	4	3													
Application of Funds			Net Fixed Assets				Investments											
			N	I	L								2	5	7	7	8	6
			Net Current Assets				Misc. Expenditure											
			1	8	3	8	6	2					4	1	1	6		
			Accumulated Losses															
			7	6	7													
IV. Performance of Company (Amount in Rs. Thousands)			Turnover				Total Expenditure											
			N	I	L								1	0	9	8		
(Please tick Appropriate box +for Profit, - for Loss)			Profit/Loss before Tax				Profit/Loss after Tax											
			-	1	0	9	8						-	7	5	9		
			Earning Per Share in Rs.				Dividend rate (%)											
			N	I	L								N	I	L			
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
Director

Charanbir Singh Sethi
Director

Place: Gurgaon
Dated : 01.09.2008

**C & C CONSTRUCTIONS LTD.
AND
C AND C PROJECTS LTD.
CONSOLIDATED**

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auditors' 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 (C and C Projects Ltd.) as at June 30, 2008, the Consolidated Profit and Loss Account of the 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 the 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 report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS 21), Consolidated Financial Statements 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 statement given 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, 2008;
- b** In case of consolidated Profit and Loss account, of the profit of the 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**

**Place : Gurgaon
Dated : 30.09.2008**

CONSOLIDATED BALANCE SHEET AS AT JUNE 30

	SCHEDULES	2008 (RS.)	2007 (RS.)
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	182,599,760	182,599,760
Reserves and Surplus	2	2,906,258,833	2,533,347,254
LOAN FUNDS			
Secured Loans	3	2,707,508,333	1,373,834,451
DEFERRED TAX LIABILITY			
	12	78,928,521	39,764,248
		5,875,295,447	4,129,545,713
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	2,526,264,732	1,446,880,221
Less: Depreciation		592,033,248	440,247,475
Net Block		1,934,231,484	1,006,632,746
Capital Work-in-progress		292,955,836	547,945,636
		2,227,187,320	1,554,578,382
INVESTMENTS			
	5	409,477,485	920,797,107
DEFERRED TAX ASSETS			
		343,107	4,160
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	2,060,475,244	764,723,092
Sundry Debtors	7	1,430,088,168	698,254,100
Cash and Bank Balances	8	561,037,476	297,540,861
Loans and Advances	9	998,993,755	1,208,896,723
		5,050,594,643	2,969,414,776
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	1,722,625,235	1,242,519,083
Provisions	11	93,797,873	77,898,199
		1,816,423,108	1,320,417,282
NET CURRENT ASSETS			
		3,234,171,535	1,648,997,494
Misc. Expenses not Written Off			
		4,116,000	5,168,570
		5,875,295,447	4,129,545,713
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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar Chairman	Charanbir Singh Sethi Managing Director	Sanjay Gupta Director	R. M. Aggarwal Director
Deepak Dasgupta Director	Anand Bordia Director	Kanwal Monga Director	Tarlochan Singh Director
Tapash K. Majumdar Chief Financial Officer	Deepak Nathani Company Secretary		

Date: 30.09.2008
Place: Gurgaon

CONSOLIDATED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30

	SCHEDULES	2008 (RS.)	2007 (RS.)
INCOME			
Work Executed		5,332,583,592	3,304,180,001
Other Income	13	79,451,871	58,040,273
		5,412,035,463	3,362,220,274
EXPENDITURE			
Construction Expenses	14	3,736,781,115	2,112,996,980
Staff Expenses	15	395,562,365	304,833,619
General and Administration Expenses	16	272,386,744	170,023,695
Interest and Financial Charges	17	328,624,099	196,544,715
Depreciation		154,730,471	160,238,484
		4,888,084,794	2,944,637,493
Profit before Taxation		523,950,669	417,582,781
Taxation for the year			
-Current Tax		75,000,000	111,000,000
-Deferred Tax		38,825,326	(26,947,529)
-Fringe Benefit Tax		1,816,588	1,806,226
Profit after Tax		408,308,755	331,724,084
Add: Profit brought forward		862,306,978	658,991,041
Profit available for Appropriation		1,270,615,733	990,715,125
Appropriation			
Dividend			
- Interim Dividend		-	-
- Proposed Final Dividend		50,214,934	45,649,940
Dividend tax		8,531,517	7,758,207
Transfer to General Reserve		75,000,000	75,000,000
Balance Carried to Balance Sheet		1,136,869,282	862,306,978
		1,270,615,733	990,715,125
Earning per share of face value of Rs.10/- each			
-Basic		22.36	22.05
-Diluted		22.36	22.05
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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Deepak Dasgupta
Director

Tapash K. Majumdar
Chief Financial Officer

Charanbir Singh Sethi
Managing Director

Anand Bordia
Director

Deepak Nathani
Company Secretary

Sanjay Gupta
Director

Kanwal Monga
Director

R. M. Aggarwal
Director

Tarlochan Singh
Director

Date: 30.09.2008
Place: Gurgaon

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30

1. Share Capital

	2008 (RS.)	2007 (RS.)
AUTHORISED		
19,800,000 (19,800,000) Equity Shares of Rs. 10/- each	198,000,000	198,000,000
2,00,000 (2,00,000) Preference Shares of Rs. 10/- each	2,000,000	2,000,000
	200,000,000	200,000,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
18,259,976 (18259976/-) Equity Shares of Rs. 10/- each fully paid up	182,599,760	182,599,760
	182,599,760	182,599,760

2. Reserves & Surplus

	2008 (RS.)	2007 (RS.)
Foreign Project Reserve Account	10,540,851	10,540,851
Share Premium Account		
As at the commencement of year	1,420,627,028	-
Add: Addition for the Year	-	1,520,220,302
Less: Share Issue Expenses	-	99,593,274
	1,420,627,028	1,420,627,028
Foreign Currency Translation Reserve		
As at the commencement of year	(5,113,503)	-
Transfer From Profit & Loss Account	-	38,277,687
Add: Addition/(Deduction) for exchange	23,342,693	(43,391,190)
	18,229,190	(5,113,503)
General Reserve		
At the commencement of the year	283,887,151	258,317,657
Add: Transfer from Profit & Loss Account	75,000,000	75,000,000
Less - Deferred Tax upto 31.03.2007	-	49,430,506
	358,887,151	283,887,151
Profit & Loss Account		
At the commencement of the year	823,412,250	620,713,354
Add: Addition for the Year	349,562,363	277,692,374
Less- Transfer to general Reserve	75,000,000	75,000,000
	1,097,974,613	823,405,728
	2,906,258,833	2,906,258,833

CONSOLIDATED

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30**3. Secured Loans**

	2008 (RS.)	2007 (RS.)
From Banks		
Working Capital Borrowings	1,249,267,182	147,677,253
Term Loan	878,481,210	66,228,160
Term Loan- UTI	-	75,000,000
From Others		
Hire Purchase Finance	579,759,941	584,929,038
500-Floating Rate Secured Redeemable Non-Convertible Debentures	-	500,000,000
	2,707,508,333	1,373,834,451

Notes:

- a** Working Capital Borrowings are secured by a first charge over stock, book debts and other current assets of the company, second charge over fixed assets of the company, corporate guarantee of an associate company and personal guarantees of Promoter Directors.
- b** Term Loans availed from Banks are secured by a first charge on specific fixed assets, second charge on the current assets of the Company and personal guarantees of Promoter Directors. Term Loan from another institution is secured by subservient charge over entire assets of the company and also by personal guarantees of Promoter Directors.
- c** Hire Purchase Finance are secured by hypothecation of specific assets procured under the respective hire purchase and personal guarantees of some promoter directors.
- d** Hire Purchase Finance includes Rs. 1930.55 Lacs (Rs.2523 Lacs) falling due for payment within 12 months.
- e** Term Loans includes Rs. 4582.20 Lacs (Rs. 5188.15 Lacs) falling due for payment within 12 months.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30

4. Fixed Assets

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st July 2007	Additions During the period	Sales/ Adjustment During the period	As at 30th June 2008	As at 1st July 2007	For the Period	Adjustment During the period	As at 30th June 2008	As at 30th June 2008	As at 30th June 2007
Land	36,809,885	3,416,000	-	40,225,885	-	-	-	-	40,225,885	36,809,885
Building	3,101,230	161,338,359	-	164,439,589	5,124	2,320,117	-	2,325,241	162,114,348	3,096,117
Temporary Sheds	102,146,290	36,847,912	-	138,994,202	98,470,571	24,419,133	12,270,191	110,619,513	28,374,688	3,675,717
Plant and Machinery	959,119,695	683,630,514	(5,399,185)	1,648,149,393	266,495,290	78,326,540	(23,925,289)	368,747,119	1,279,402,274	692,624,404
Tipper and Tractors	253,389,363	114,649,127	54,331,654	313,706,836	50,480,425	31,357,800	13,255,827	68,582,398	245,124,437	202,908,938
Office Equipments and Computers	34,109,541	47,744,997	1,293,790	80,560,748	9,454,974	7,165,451	930,337	15,690,088	64,870,661	24,654,570
Furniture and Fixtures	6,830,957	24,944,842	402,321	31,373,479	3,856,907	2,829,783	-	6,686,691	24,686,788	2,974,048
Vehicles	51,373,260	56,986,930	(454,410)	108,814,601	11,484,193	8,311,647	413,643	19,382,198	89,432,403	39,889,067
	1,446,880,221	1,129,558,681	50,174,170	2,526,264,732	440,247,484	154,730,471	2,944,709	592,033,248	1,934,231,484	1,006,632,747
Capital work - in progress	547,945,635	972,594	255,962,394	292,955,836	-	-	-	-	292,955,836	547,945,636
	1,994,825,856	1,130,531,275	306,136,564	2,819,220,568	440,247,484	154,730,471	2,944,709	592,033,248	2,227,187,320	1,554,578,383
Previous Year	1,207,775,865	1,002,335,562	215,285,565	1,994,825,856	323,883,004	160,238,490	43,874,015	440,247,475	1,554,578,383	883,892,848

CONSOLIDATED

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30**5. Investments**

		2008 (RS.)	2007 (RS.)
Investment in Government and Trust Securities			
- National Saving Certificates			
(Pledged to Various Government Authorities)		132,500	132,500
Investment in Mutual Funds:			
- 42627.373 Units of Reliance Liquid Plus Fund	11,758,683		
Total investment in Mutual Funds representing unutilised			
- 10097497.957 Units of ABN AMRO FTP Quarterly Series	100,978,314		
- 5012152.254 Units of Lotus India Quarterly FMP Series VI	50,121,522		
- 1996841.9825 Units of SBI Premier Liquid Fund	20,033,317		
- 4998674.053 Units of Lotus India Liquid Plus Fund	50,065,220		
- 6506207.527 Units of Sundram BNP Paribas Liquid Plus	65,094,606		
- 100415.319 Units of UTI Liquid Plus Fund	102,367,965		
- 42627.373 Units of Reliance Liquid Plus Fund	11,758,684		400,419,627
Market Value of Quoted Investments - Rs. Nil (Previous Year - Rs.4,01,684,365/-)			
Investment in Associate			
24498 Shares of BSC- C and C Kurali Toll Road Ltd.		244,980	244,980
Share Application Money Pending Allotment		329,600,005	440,500,000
- 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		29,500,000	29,500,000
		409,477,485	920,797,107

6. Inventories

		2008 (RS.)	2007 (RS.)
As certified by the management			
(Valued at cost or net realisable value whichever is lower)			
Raw material		746,519,591	230,914,325
Stores, Spares and Consumables		105,085,909	51,503,060
Work in Progress		1,191,800,490	481,140,636
Material in Transit		17,069,254	1,165,071
		2,060,475,244	764,723,092

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30**7. Sundry Debtors**

	2008 (RS.)	2007 (RS.)
Unsecured		
Debts outstanding for a period exceeding six months -		
-Considered good	32,660,348	96,231,823
-Considered Doubtful	18,614,337	18,614,336
Others - Considered good	1,397,427,820	583,407,941
	1,448,702,505	698,254,100
Less Provision for Bad & doubtful Debt	18,614,337	-
	1,430,088,168	698,254,100

8. Cash and Bank Balances

	2008 (RS.)	2007 (RS.)
Cash in hand	11,338,210	10,212,002
Balances with scheduled banks		
- in Current Accounts	130,066,300	31,051,337
- in Fixed Deposit Accounts	419,562,500	249,781,305
Balance with non-scheduled banks		
- in Current Accounts	70,466	6,496,217
	561,037,476	297,540,861

9. Loans and Advances

	2008 (RS.)	2007 (RS.)
Advances Recoverable in cash or kind or for value to be received	826,529,506	420,925,238
Security Deposits	22,776,675	5,740,375
Balance with Joint Ventures	49,953,861	770,024,012
Advance Tax (Net of Provisions)	99,733,713	12,207,098
	998,993,755	1,208,896,723

CONSOLIDATED

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT JUNE 30**10. Current Liabilities**

	2008 (RS.)	2007 (RS.)
Sundry Creditors	778,899,902	681,833,746
Acceptances	450,916,844	258,749,993
Interest Accrued but not due	8,661,405	6,980,822
Other Liabilities	484,147,084	294,954,522
	1,722,625,235	1,242,519,083

11. Provisions

	2008 (RS.)	2007 (RS.)
Fringe Benefit Tax	1,514,519	848,925
Proposed Dividend	50,214,934	45,649,939
Dividend Tax	8,531,517	7,758,207
Employee retirement benefits	33,536,903	15,203,980
Other Provision	-	8,437,148
	93,797,873	77,898,199

12. Deferred Tax Liabilities (Net)

	2008 (RS.)	2007 (RS.)
Deferred Tax Liability		
Depreciation - Difference in Depreciation for accounting and tax purpose	109,496,122	70,331,849
Less: Deferred Tax Assets		
Retirement benefits	30,567,601	30,567,601
	78,928,521	39,764,248

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30

13. Other Income

	2008 (RS.)	2007 (RS.)
Dividend Income	8,893,602	17,039,365
Exchange Gain (net)	44,435,431	-
Miscellaneous Income	26,122,838	41,000,908
	79,451,871	58,040,273

14. Construction Expenses

	2008 (RS.)	2007 (RS.)
Cost of Material		
Raw Materials and Components	3,948,667,070	1,403,309,480
Stores, Spares and Consumables	433,338,202	369,183,476
	4,382,005,272	1,772,492,956
Add: Opening Stock		
Raw Material & Stores	283,582,456	162,391,090
Work in Progress	481,140,636	308,182,667
Less: Closing Stock		
Raw Material & Stores	868,674,754	283,582,456
Work in Progress	1,191,800,490	481,140,636
	3,086,253,120	1,478,343,621
Project Execution Expenses		
Sub-Contractor charges	233,651,789	146,226,131
Site Development Expenses	115,577,138	156,801,293
Hire Charges	60,770,541	181,760,183
Repair and Maintenance		
- Plant & Machinery	187,129,881	92,182,368
- Vehicles	43,176,737	19,408,502
- Others	2,979,217	4,938,661
Works Contract Tax	3,136,566	32,525,835
Consumables	395,776	222,963
Electricity Expenses	3,710,350	587,423
	650,527,995	634,653,359
	3,736,781,115	2,112,996,980

CONSOLIDATED

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30

15. Staff Expenses

	2008 (RS.)	2007 (RS.)
Salaries, Wages and Bonus	318,848,373	253,489,274
Contribution to and Provision for:		
Provident Fund	11,056,947	6,810,601
Gratuity	5,036,513	3,244,083
Leave Encashment	14,001,296	7,933,637
Staff Welfare	46,619,236	33,356,024
	395,562,365	304,833,619

16. General and Administration Expenses

	2008 (RS.)	2007 (RS.)
Travelling and Conveyance	16,417,656	17,155,269
Printing and Stationery	7,505,505	4,148,712
Communication	8,494,461	7,429,018
Electricity	2,292,325	291,197
Legal and Professional	50,280,901	29,984,285
Rent	7,011,529	8,928,077
Rates and Taxes	12,398,314	6,579,069
Insurance	30,987,959	25,053,020
Auditors Remuneration	1,596,017	824,601
Loss on sale of Fixed Assets	3,449,511	2,615,258
Miscellaneous Expenses	112,309,229	67,015,189
Provision for Bad Debt	18,614,337	-
Preliminary Expenses written off	1,029,000	-
	272,386,744	170,023,695

17. Interest and Finance Charges

	2008 (RS.)	2007 (RS.)
Interest	299,568,534	161,519,696
Commission on Bank guarantee and letter of Credit	53,480,195	42,273,284
Bank Charges	12,649,457	6,572,145
	365,698,186	210,365,125
Less: Interest Income	37,074,087	13,820,410

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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 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. Principle of Consolidation

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 balance and the unrealised profits/losses on intra-group transactions, and are presented to the extent possible, in the same manner as the company's independent financial statement. 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 foreign associates have been accounted for as per accounting standard (AS) 13 issued by The Institute of Chartered Accountant of India.

4. Fixed Assets and Capital-work-in-progress

Fixed assets are stated at cost, after reducing accumulated depreciation up to the date of the balance sheet. Cost includes duties & taxes and does not include inwards freight & incidental expenses related to acquisition and Installation of the assets.

Intangible assets comprise of licence fees 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.

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. except Depreciation on Plant & Machinery deployed at Afghanistan Projects is being charged at a rate higher than the stipulated by the Companies Act 1956, based on the useful life of the Asset, as estimated by the Management. The useful life of such assets is follows:

ASSETS	YEARS
Plant & Machinery (Crusher, WMM, HMP & Batching Plant)	2
Plant & Machinery	7
Tipper & Tractor (Second Hand)	2

b Depreciation on certain assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life of the Asset,

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as estimated by the Management.

- 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/- have been depreciated at hundred percent.

5. Investments

Investments are valued at cost of acquisition. No provision for diminution in value, if any, has been made considering the same as temporary in nature.

6. 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 are valued on the basis of percentage completion method at the rates provided in the contract reduced by an estimated percentage towards expected profit.

7. Retirement Benefits to Employees

Company's contribution to provident fund is charged to profit and loss account on actual liability basis. Provision for Gratuity and Leave encashment benefit is determined on actuarial valuation carries out as at the balance sheet date. Provision for leave encashment is made on actual liability basis for the leave out standing as at the year end.

8. Revenue Recognition

Revenue is recognised as follows:

- a** Contract revenue is recognised by adding the aggregate cost and proportionate margin, using the percentage completion method, on the basis of physical measurement of work actually completed on the balance sheet date. 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.

- b** 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.
- c** Insurance claims are accounted for on cash basis.
- d** 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 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.

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 period. Deferred Tax Assets is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be adjusted in future.

- c** Provision for taxation has been made on the taxable income up to 31st March, 2008. Provision for tax, if any, in respect of income accrued during the period 1st April, 2008 to 30th June, 2008 would be determined and provided with reference to the profit, if any, for the year ended 31st March, 2009.

11. Foreign Currency Transactions, Foreign Operations, and Forward Contracts

- a** The reporting currency of the Company is Indian Rupee.
- b** Foreign Branches have been classified as non-integral foreign operations and financial statement are translated as under:
- i Assets and liabilities (both Monetary and Non-Monetary) at the rate prevailing at the end of the year.
 - ii Revenue and Expenses at yearly average Exchange Rates prevailing during the year Exchange difference arising on translation of non integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of such foreign operation.
- 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 differences in translation of monetary assets and liabilities and realised gains or losses on exchange transaction are recognised 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

- a** 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.
- b** 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

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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.

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.

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" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint ventures"

The CFS comprises the financial Statement of C & C constructions Ltd, its subsidiaries, Associates and Joint Ventures. Financial Statement of Subsidiary has been prepared for 15 Months Ended June 2008 to align with the reporting date of its holding Company C & C Constructions Ltd. Previous year figure has been adjusted for difference in reporting date.

2. Contingent liabilities not provided for:

		JUNE 30, 2008 (RS. LAKHS)	JUNE 30, 2007 (RS. LAKHS)
a)	Claims against the Company not acknowledged as debts.	669.20	669.20
b)	Statutory Liability that may arise in respect of matter in appeal	38.06	38.06

c)	Outstanding bank guarantees (excluding performance obligations)	26894.29	12262.04
d)	Outstanding letter of credit	9769.24	8612.88
e)	Corporate guarantee given on behalf of associates/joint venture entities/subsidiaries	26000.00	3375 .00

Capital Commitments

Estimated amount of Contract (net of advances) remaining to be executed on Capital Account and not provided for Rs. Nil lacs (Rs. 1825.20 lacs).

- 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.
- 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:

	2008		2007	
	Rs.	%	Rs.	%
Raw material, stores and spares				
- Imported	453,980,050	15%	388,831,762	24%
- Indigenous	2,632,273,070	85%	1,262,469,828	76%
	3,086,253,120	100%	1,651,301,590	100%

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5. Earnings in Foreign Currency

	2008 (RS.)	2007 (RS.)
Overseas Project Services	671,602,468	1,202,586,031
Export of Goods	-	-
	671,602,468	1,202,586,031

6. CIF Value of Imports

	2008 (RS.)	2007 (RS.)
Capital Expenditure at overseas projects	3,597,295	11,210,517
Capital Expenditure in India	529,772,066	110,592,739
Raw Material at overseas projects	315,094,914	140,081,045
Import of Goods	138,885,136	28,594,637
	1,057,349,411	290,478,938

7. Expenditure in Foreign Currency

	2008 (RS.)	2007 (RS.)
Expenditure incurred at overseas contract	524,329,236	937,069,933
Travelling Expenses	1,844,371	712,806
	526,173,607	937,782,739

8. Managerial Remuneration

	2008 (RS.)	2007 (RS.)
Salaries and Perquisites	36,000,000	28,565,000
Contribution to Provident Fund	37,440	37,440
	36,037,440	28,602,440

9. Auditor's Remuneration

	2008 (RS.)	2007 (RS.)
Audit Fees	1,244,026	533,710
Tax Audit Fees	303,372	138,918
Others	48,619	151,973
	1,596,017	824,601

10. Disclosures pursuant to Accounting Standard (AS) 7 (Revised):

	2008 (RS.)	2007 (RS.)
i. Contract revenue recognised for the year ended June 30, 2008	5,332,583,592	3,304,180,001
ii. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to June 30, 2008	6,524,384,082	3,785,320,636
iii. Amount of Customer Advance outstanding for contracts in progress as at June 30, 2008	788,933,404	584,929,038
iv. Amount of retentions due from customers for contracts in progress as at June 30, 2008	23,81,54,850	98,902,196

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 assets.

SEGMENT	2008			
	INDIAN (RS.)	OVERSEAS (RS.)	UN-ALLOCATED (RS.)	TOTAL (RS.)
Revenue				
Sales & Services	4,714,689,561	617,894,031	-	5,332,583,592
Other Income	25,743,434	53,708,437	-	79,451,871
Total Revenue	4,740,432,995	671,602,468	-	5,412,035,463
Segment Result (Profit Before Interest & Tax)	812,075,995	145,956,400	-	958,032,395
Unallocable Expenditure	-	-	105,457,627	105,457,627
Interest	320,022,609	8,601,490	-	328,624,099
Profit Before Taxation	492,053,386	137,354,910	(105,457,627)	523,950,669
Provision for Taxation				
-Current Tax	75,000,000	-	-	75,000,000
-Deferred Tax	38,825,326	-	-	38,825,326
-Fringe Benefit Tax	1,816,588	-	-	1,816,588
Profit After Taxation	376,411,472	137,354,910	(105,457,627)	408,308,755
Other Segment Information				
Segment Assets	6,880,897,303	806,705,253	-	7,687,602,555
Segment Liabilities	1,474,538,007	347,228,428	-	1,821,766,434
Capital Expenditure (Including Capital Work-in-progress)	2,340,258,680	478,961,890	-	2,819,220,569
Depreciation	245,627,871	346,405,378	-	592,033,248

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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 Ltd.
 Case Components Ltd.
 Case Component Industries Ltd.
 S.J. Leasing & Investment (P) Ltd.
 International Trenching (P) Ltd.
 Frontline Innovation (P) Ltd.
 Kims Wardak Diagnostic Centre Pvt Ltd.
 Mudit Cement Ltd.
 BSC-C and C-Kurali Toll Road Ltd.
 BSC-C & C-JV Nepal (P) Ltd.
 C and C Corporate Services Ltd.

(ii) Joint Venture

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

(iii) Subsidiary Company

C and C Projects Ltd

**(iv) Key Managerial Personnel
Board of Directors**

G.S. Johar
 C.S. Sethi
 Rajbir Singh
 Sanjay Gupta
 A.P.S. Chadha
 R.M. Aggarwal

(v) Relatives of Key Managerial Personnel

C.S. Sethi (HUF)
 Sunita Singh Sethi
 Sumeet Johar
 Indrajit Kaur Chadha
 Sukvinder Kaur
 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

(vi) Summary of transactions during the year :

	ASSOCIATE COMPANIES	JOINT VENTURES	KEY MANAGERIAL PERSONNEL	RELATIVE OF KEY MANAGERIAL PERSONNEL	SUBSIDIARY	TOTAL
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Income						
Sales and Services	145,919,740	4,134,064,338	-	-	-	4,279,984,078
Other income	-	58,947,180	-	-	-	58,947,180
Expenditure						
Material and Project Execution expenses	-	2,940,424,636	-	-	-	2,940,424,636
Salaries and wages	-	331,006,888	36,000,000	7,95,000	-	367,801,888
General and Administration Expenses	-	127,331,435	-	900,000	-	128,231,435
Depreciation	-	107,495,516	-	-	-	107,495,516
Interest	-	251,763,477	-	-	-	251,763,477
Dividend paid						
Preference Dividend	-	-	-	-	-	-
Dividend	13,542,900	-	17,266,063	802,082	-	31,611,045
Purchase/ sale of fixed assets	-	304,201,123	-	-	-	304,201,123
Investment	409,344,985	-	-	-	-	409,344,985
Balance outstanding at the year end:						
Accounts receivable	55,447,913	1,167,607,190	-	-	-	1,223,055,103
Advances recoverable	3,536,301	654,632,538	-	-	-	658,168,839
Current liabilities	-	1,164,712,924	8,153,853	45800	-	1,172,912,577
Guarantees provided						
Bank Guarantee	-	1,546,600,977	-	-	-	1,546,600,977
Corporate Guarantee	2,600,000,000	-	-	-	-	2,600,000,000

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

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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 30.06.08 RS. LACS	AMOUNT OUTSTANDING AS AT 30.06.07 RS. LACS	MAXIMUM BALANCE OUTSTANDING DURING THE YEAR RS. LACS	INVESTMENT IN SHARES OF THE COMPANY NO. OF SHARES
Case Components Ltd	Associate	-	145.00	201.00	-
International Trenching Pvt Ltd	Associate	8.55	7.00	8.55	-
Case Cold Roll Forming Ltd	Associate	-	44.00	786.00	-
Case Components Industries Ltd	Associate	-	-	-	-
Frontline Innovation (P) Ltd	Associate	26.80	-	26.80	-

14. Disclosures in respect of Joint Ventures**a List / Financial interest in Joint Ventures**

(Rs. In lacs)

NAME OF THE JOINT VENTURE	DESCRIPTION OF INTEREST	COMPANY'S SHARE OF				
		Assets	Liabilities	Income	Expenses	Tax
		As at 30th June 2008			For the year	
BSC-C & C 'JV'	Jointly Controlled Operations (Construction of roads)	41,603.18 (25,357.63)	41,603.18 (25,357.63)	41,930.12 (22,290.12)	37,580.21 (22,183.08)	750.00 (1100.00)
BLA-CISC-C & C 'JV'	Jointly Controlled Operations (Construction of roads)	25.63 (25.63)	25.63 (25.63)	0.26 (0.26)	- -	- -
C & C SE JV	Jointly Controlled Operations (Construction of Water Sewerage)	274.52 -	274.52 -	10.97 -	90.72 -	- -
Total		41903.33 (25,383.26)	41903.33 (25,383.26)	41941.35 (22,290.38)	37670.93 (22,183.08)	750.00 (1,100.00)

b Contingent liabilities, incurred in relation to interests in Joint Ventures as on 30th June 2008 is Rs.15466 lacs (Rs. 9987.29 lacs)

c Capital commitments, incurred in relation to interests in Joint Ventures as on 30th June 2008 is Rs.Nil (Rs. Nil)

15. Based on the information available, there are no SSI and ancillary undertakings with the Company is currently dealing.

16. 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

	2008 (RS.)	2007 (RS.)
In Current Accounts		
DA Afghanistan Bank, Kabul	6,085	5,767
Kabul Bank	64,382	21,332

Maximum balance held in non-scheduled banks During the period / year

	2008 (RS.)	2007 (RS.)
In Current Accounts		
DA Afghanistan Bank, Kabul	6,085	5,767
Kabul Bank	64,382	84,79,323

17. Sundry Debtors, Creditors, Loans & Advances, some of the bank accounts and some fixed deposits as on 30th June 2008 are generally subject to confirmation/ adjustment and reconciliation.

18. Computation of Basic & Diluted Earnings per Share (“EPS”).

Profit after tax as per Accounts	408,308,755
Profit attributable to equity share holders	408,308,755
Weighted Average no of Shares	18,259,976
Basic EPS (Rupees)	22.36

19. Sundry Debtors includes Rs. 554.48 Lacs (Rs.876.14 Lacs) amount due from Associates Companies in which the Directors of the Company are interested. The maximum amount outstanding at any time during the year Rs.984.43 lacs.
20. During the Year ended June 30, 2007, the Company had allotted 42,70,647 equity shares of Rs. 10/- each at a price of Rs. 291/- aggregating to Rs. 124,27,58,277/-.

The details of the funds received from such allotment, including share premium, and utilization of such funds are given below:

(Rs in Lakhs)

PARTICULARS	AMOUNT RECEIVED	TOTAL UTILISED
Funds received through IPO proceeds	12427.58	
Augmenting working Capital Requirements		2,500.00
Investment in BOT & Capital Equipment		8931.63
Issue Expenses		995.95
Total	12427.58	12,427.58

21. Leases**Finance Lease**

Assets acquired on finance lease mainly comprise, tippers and tractors, Excavator, Motor Grader, crusher and cars. The lease have a primary period which is fixed and non cancellable. There are no exceptional/ restrictive covenants in the lease agreements. The minimum lease rentals and present value of minimum lease payments as on 30th June, 2008 in

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respect of assets acquired under finance leases are as follows:

		(Rs in Crores)	
		MINIMUM LEASE PAYMENT	PRESENT VALUE OF MINIMUM LEASE PAYMENT
i.	Payable not later than 1 year	24.40	19.40
ii.	Payable later than 1 year and not later than 5 years	47.50	38.58
iii.	Payable later than 5 years	71.90	57.98

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 ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner
M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Charanbir Singh Sethi
Managing Director

Sanjay Gupta
Director

R. M. Aggarwal
Director

Deepak Dasgupta
Director

Anand Bordia
Director

Kanwal Monga
Director

Tarlochan Singh
Director

Tapash K. Majumdar
Chief Financial Officer

Deepak Nathani
Company Secretary

Date: 30.09.2008
Place: Gurgaon

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2008**(RS. IN LACS)**

		2008		2007	
A.	NET CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before Tax		5,239.51		4,175.89
	Depreciation	1,547.31		1,602.38	
	Dividend Income	(88.93)		(170.39)	
	Loss on Sale of Fixed Assets	34.50		26.15	
	Preliminary Expenses W.off	10.53		-	
	Interest/Finance Charges	3,286.23		1,965.44	
	Exchange Gain/ Loss on Non Integral branch	233.43	5,023.07	(440.06)	2,983.52
	Operating Profit before Working Capital Changes		10,262.58		7,159.41
	(Increase)/Decrease in Sundry Debtors	(9,358.38)		(5,104.14)	
	(Increase)/Decrease in Inventories	(12,957.52)		(2,941.49)	
	(Increase)/Decrease in Loans and Advances and Provisions	2,099.03		(6,376.58)	
	Increase/(Decrease) in current liabilities	4,801.09		4,446.26	
	Increase/(Decrease) in provision	974.23	(14,441.55)	127.70	(9,847.84)
	Cash Generated from Operations		(4,178.97)		(2,688.43)
	Income Taxes Paid		1,636.78		1,119.57
	Cash Flow from Operating Activities		(5,815.75)		(3,808.00)
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	(Increase)/Decrease in Investment	5,113.21		(9,258.52)	
	Purchase of Fixed assets	(8,745.69)		(9,320.36)	
	Sale of Fixed Assets	437.79		984.97	
	Dividend Received	88.93		170.39	
	Net Cash Flow from Investing Activities		(3,105.76)		(17,423.52)

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(RS. IN LACS)

		2008		2007	
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from Secured Loans	19,086.74		3,765.08	
	Repayment of Secured Loans	(5,000.00)		(355.10)	
	Proceeds/(Repayment) of short term loans	(750.00)		(527.69)	
	Proceeds from Share Capital			547.88	
	Share Premium			14,206.27	
	Proceeds From non Convertible debenture			5,000.00	
	Advance From employer	2,040.04		1,613.24	
	Interest / Finance Charges Paid	(3,286.23)		(1,965.44)	
	Dividend / Dividend Tax Paid	(534.08)		(242.90)	
	Net Cash Flow from Financing Activities		11,556.47		22,041.34
	NET INCREASE/(DECREASE), in Cash and Cash Equivalents		2,634.96		809.83
	CASH AND CASH EQUIVALENTS, at the beginning of the year		2,975.41		2,165.58
	CASH AND CASH EQUIVALENTS, at the end of the year		5,610.37		2,975.41

This is the Cash Flow Statement referred to in our report of even date.

**For ASG & Associates
Chartered Accountants**

Amar Jeet Singh
Partner

M. No. 089285

For and on behalf of the Board of Directors

Gurjeet Singh Johar
Chairman

Deepak Dasgupta
Director

Tapash K. Majumdar
Chief Financial Officer

Charanbir Singh Sethi
Managing Director

Anand Bordia
Director

Deepak Nathani
Company Secretary

Sanjay Gupta
Director

Kanwal Monga
Director

R. M. Aggarwal
Director

Tarlochan Singh
Director

Date: 30.09.2008

Place: Gurgaon



C & C CONSTRUCTIONS LTD.

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

Phone + 91 124 4536666

Fax +91 124 4536799

Email candc@candcinfrastructure.com

www.candcinfrastructure.com