CONSOLIDATED
CONSTRUCTION
CONSORTIUM LTD

July 27, 2019

To
Corporate Communications
National Stock Exchange of India Ltd
Bandra Kurla Complex
Bandra East
Mumbai 400 051.

To
Asst.General Manager
Dept. of Corporate Services
Bombay Stock Exchange Ltd.
Dalal Street
Mumbai 400 001.

Sir/s:

Sub: Outcome of Board Meeting held on 27.07.2019

1. The Board of Directors met at Chennai on 27.07.2019 and inter alia, took on record the un - audited financial results for the quarter ended 30.06.2019.

The financial results along with the Limited Review Report for the quarter ended June 2019 is enclosed herewith.

The meeting of the Board of Directors was commenced at3.00PM and concluded at 05.00 PM

Kindly take the above on record

Yours faithfully,
For CONSOLIDATED CONSTRUCTION CONSORTIUM LTD.

S.Sivaramakrishnan
Managing Director

Registered Office: # 5, 2nd Link Street, C.I.T. Colony, Mylapore, Chennai - 600 004. Ph: 044-2345 4500
E-mail: cccl@ccclindia.in, URL: www.ccclindia.com
CIN: L45201TN1997PLC038610 PAN : AAACC4214B
Regional Offices : Bangalore • Chennai • Hyderabad • New Delhi

ISO 9001
ISO 14001
OHSAS 18001
BUREAU VERITAS
Certification

Consolidated Construction Consortium Limited

Regd. Office : #5, 2nd Link Street, C I T Colony, Mylapore, Chennai - 600004

CIN: L45201TN1997PLC038610

URL: www.ccclindia.com

Statement of Unaudited Standalone Financial Results for the quarter ended 30th June 2019

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended
		Jun 30, 2019	Mar 31, 2019	Jun 30, 2018	Mar 31, 2019
		Unaudited	Audited (Refer Note 9(a))	Unaudited	(Audited)
1	Revenue from operations	9,795.76	10,649.88	10,127.27	45,604.66
2	Other Income	905.07	882.57	1,261.42	4,127.52
3	**Total Income**	**10,700.83**	**11,532.45**	**11,388.69**	**49,732.18**
4	**Expenses**				
	Cost of materials consumed and services cost	8,280.39	8,423.33	8,950.22	39,125.73
	Employee benefit expense	976.32	881.93	1,016.71	4,158.78
	Finance cost	2,596.18	2,482.76	2,589.56	10,247.19
	Depreciation and amortisation	130.15	155.73	160.39	630.95
	Other expenses	410.50	883.93	515.97	2,563.10
	Total Expenses	**12,393.54**	**12,827.68**	**13,232.85**	**56,725.75**
5	**Profit/(Loss) before tax (3-4)**	**(1,692.71)**	**(1,295.23)**	**(1,844.16)**	**(6,993.57)**
6	**Exceptional Item - Profit/(loss)**	**(91.75)**	**(234.99)**	**(75.94)**	**(605.37)**
7	**Tax expense**				
	Current tax	-	-	-	-
	Deferred tax	(0.22)	(38.27)	(0.23)	(38.97)
8	**Profit/(Loss) for the period (5+6-7)**	**(1,784.24)**	**(1,491.95)**	**(1,919.87)**	**(7,559.97)**
9	**Other Comprehensive Income**				
	a) i) Items that will not be reclassified to profit or (loss)				
	- Remeasurements of the defined benefit plans	(15.38)	(163.79)	69.52	(135.38)
	- Change in Fair value of Equity Instruments measured at FVTOCI	(334.51)	298.36	(151.37)	(235.37)
	ii) Income tax relating to the items that will not be reclassified to profit or	-	-	7.03	(5.54)
	b) i) Items that will be reclassified to profit or (loss)	-	-	-	-
	ii) Income tax relating to the items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	**(349.89)**	**134.57**	**(74.82)**	**(376.29)**
10	**Total Comprehensive Income**	**(2,134.13)**	**(1,357.38)**	**(1,994.69)**	**(7,936.26)**
11	**Paid-up equity share capital (Face value ₹ 2/- each)**	7,970.22	7,970.22	7,970.22	7,970.22
12	**Earnings per equity share** (of ₹ 2/- each) (not annualised)				
	(a) Basic (in ₹)	(0.45)	(0.37)	(0.48)	(1.90)
	(b) Diluted (in ₹)	(0.45)	(0.37)	(0.48)	(1.90)

Sundar Srini & Sridhar Chartered Accountants 028504

Consolidated Construction Consortium Ltd. Chennai 600 004

Consolidated Construction Consortium Limited
Regd. Office : #5, 2nd Link Street, C I T Colony, Mylapore, Chennai - 600004
CIN: L45201TN1997PLC038610
URL: www.ccclindia.com

Statement of Unaudited Consolidated Financial Results for the quarter ended 30th June 2019

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended
		Jun 30, 2019	Mar 31, 2019	Jun 30, 2018	Mar 31, 2019
		Unaudited	Unaudited (Refer Note 9(b))	Unaudited (Refer Note 9(b))	(Audited)
1	Revenue from operations	9,795.76	10,649.88	10,127.27	45,604.66
2	Other Income	914.53	919.66	1,268.76	4,183.59
3	**Total Income**	**10,710.29**	**11,569.54**	**11,396.03**	**49,788.25**
4	**Expenses**				
	Cost of materials consumed and services cost	8,281.58	8,511.96	8,934.62	39,198.60
	Employee benefit expense	979.08	885.53	1,022.09	4,174.65
	Finance cost	2,655.11	2,621.74	2,610.59	10,626.77
	Depreciation and amortisation	130.82	157.02	161.66	636.08
	Other expenses	415.61	895.35	526.50	2,605.25
	Total Expenses	**12,462.20**	**13,071.60**	**13,255.46**	**57,241.35**
5	**Profit/ (Loss) before share of profit/(loss of associate/ joint venture and exceptional items (3-4)**	**(1,751.91)**	**(1,502.06)**	**(1,859.43)**	**(7,453.10)**
6	Share of profit/ (loss) from Joint venture	(9.44)	(37.75)	-	(37.75)
7	**Profit before exceptional items and tax (5+6)**	**(1,761.35)**	**(1,539.81)**	**(1,859.43)**	**(7,490.85)**
8	Exceptional Item	-	-	-	-
9	**Tax expense**				
	Current tax	-	-	-	-
	Deferred tax	(0.22)	(45.12)	(0.23)	(45.82)
10	**Profit/(Loss) for the period from continuing operations (7+8-9)**	**(1,761.13)**	**(1,494.69)**	**(1,859.20)**	**(7,445.03)**
11	Profit/(loss) from discontinued operations	(218.57)	308.05	(9.98)	199.82
	Tax expense of discontinued operations	-	22.11	-	22.11
	Profit from discontinued operations after tax	**(218.57)**	**330.16**	**(9.98)**	**221.93**
12	**Profit/(Loss) for the period(10+11)**	**(1,979.70)**	**(1,164.53)**	**(1,869.18)**	**(7,223.10)**
13	**Other Comprehensive Income**				
	a) i) Items that will not be reclassified to profit or (loss)				
	- Remeasurements of the defined benefit plans	(15.38)	(163.79)	69.52	(135.38)
	- Change in Fair value of Equity Instruments measured at FVTOCI	(0.09)	0.65	0.68	1.37
	ii) Income tax relating to the items that will not be reclassified to profit or loss	-	-	(24.29)	(9.93)
	b) i) Items that will be reclassified to profit or (loss)	-	-	-	-
	ii) Income tax relating to the items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income	**(15.47)**	**(163.14)**	**45.91**	**(143.94)**
14	**Total Comprehensive Income**	**(1,995.17)**	**(1,327.67)**	**(1,823.27)**	**(7,367.04)**
15	**Paid-up equity share capital (Face value ₹ 2/- each)**	7,970	7,970	7,970	7,970
16	**Earnings per equity share** (of ₹ 2/- each) (For continuing operations)				
	(a) Basic (in ₹)	(0.44)	(0.38)	(0.47)	(1.87)
	(b) Diluted (in ₹)	(0.44)	(0.38)	(0.47)	(1.87)
	Earnings per equity share (of ₹ 2/- each) (For discontinued operations)				
	(a) Basic (in ₹)	(0.05)	0.08	(0.00)	0.06
	(b) Diluted (in ₹)	(0.05)	0.08	(0.00)	0.06
	Earnings per equity share (of ₹ 2/- each) (For continuing & discontinued operations)				
	(a) Basic (in ₹)	(0.49)	(0.29)	(0.47)	(1.81)
	(b) Diluted (in ₹)	(0.49)	(0.29)	(0.47)	(1.81)

Sundar Soni & Sridhar
Chartered Accountants
025504

Consolidated Construction Consortium Ltd.
Chennai
600 004

1 The Standalone and Consolidated Financial Results have been reviewed and recommended by the Audit Committee at its meeting held on July 27, 2019 and approved by the Board of Directors of the company at its meeting held on July 27, 2019.

2 The statutory auditors of the company in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended have performed a limited review of Standalone and Consolidated Financial Results of the Company for the Quarter ended June 30, 2019 and have issued a modified review report dated July 27, 2019.

3 These results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

4 The Standalone and Consolidated financial results for the quarter ended June 30, 2019 indicate that the Company / the Group has negative net worth as at 30.06.2019. Further, the Company / the group has incurred net cash losses in the current quarter and in the immediate preceding financial year. Further, the Company and few of its subsidiaries have continuously defaulted in repayment of borrowings including interest from Banks and financial institutions. The Company/ the Group has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company/ the Group to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the marginal increase in the current level of operating activities. These indicate the existence of a material uncertainty that may cast significant doubt on the Company's/ the Group's ability to continue as going concern. However, the Company is looking out for potential investors to raise cash either by selling the non-core assets held by its subsidiaries or by issuing debt instruments and has proposed debt settlement plan with the bankers and further the Company/Group expects improvement in the overall level of Operations. In view thereof, and expecting favourable market conditions in future, the Standalone and the Consolidated Financial results have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities except for the adjustments made by the three subsidiaries as described in Note 5.

5 The Board of Directors of the three subsidiaries namely CCCL Power Infrastructure Limited, Delhi South Extension Car Park Limited and Consolidated Interiors Limited have resolved that going concern assumption of the respective companies were vitiated and accordingly the assets and liabilities have been stated at realizable value.

6 Balance value of work on hand for execution as at 30 June 2019 is ₹ 53,797.59 lakhs and fresh orders received by the Company during the quarter ended June 30, 2019 amounts to ₹ 2,747.36 lakhs.

7 Effective April 1, 2019, the Company/the Group has adopted Ind AS 116 "Leases". The application of Ind AS 116 did not have any material impact on the financial results of the Company/the Group.

8 Trade receivables of Standalone & Consolidated financial results include:

a) ₹ 22,320.82 lakhs and ₹ 21,527.23 lakhs respectively which are outstanding for more than one year. The Company/the Group carries a provision of ₹ 11,274.53 lakhs and ₹ 11,889.94 lakhs respectively against those long outstanding receivables. These receivables are periodically reviewed by the company/the Group and considering the commercial/contractual terms and on-going discussions with the clients, the management is confident of recovering the entire dues and that no further provision against these dues needs to be considered;

b) ₹ 48,336.50 lakhs for which the Company has sought legal recourse and proceedings are pending in various legal forums which according to the Management will be awarded fully in Company's favour on the basis of the contractual tenability, progress of arbitration and legal advice.

c) ₹ 4,047.11 Lakhs which represents claims made to client based on the terms and conditions implicit in the Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of work, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients. On the basis of the contractual tenability, progress of negotiations/discussions, the management considers these receivables are recoverable. The company carries a provision of ₹ 66.00 Lakhs against these claims. The provisions made are periodically reviewed by the company and the management feels that no additional provision is warranted.

9 a) The Standalone Financial Results for the last quarter of the current year and of the previous year are the balancing figures between the audited figures for full financial year and the unaudited published year to date figures upto the third quarter of the relevant financial year which were subject to Limited Review by the statutory auditors of the Company.

b) The consolidated figures for the last quarter are at balancing figure between the audited figures in respect of the full financial year upto 31st March, 2019 and the unaudited year to date figures upto 31st December 2018. The consolidated figures for the corresponding quarter ended 30th June 2018 year to date figures upto 31st December, 2018 and for the quarter ended 31st March 2019 are approved by the Board of Directors and have not been subjected to Limited review by the auditors.

10 As per the terms of the approved S4A scheme, the Company has to redeem the Optionally Convertible Debentures to an extent of ₹ 13,327.65 lakhs (net of payments made) by end of the financial year March 31, 2018. However, the company has defaulted with respect to repayment of OCDs to the extent stated above including interest accrued and the default is continuing as on June 30, 2019. Further, the Company has defaulted in repayment of restructured term loans and working capital loans (including interest) to an extent of ₹ 7,675.94 lakhs as at June 30, 2019.

Further, one of the subsidiary companies, has defaulted in repayment of restructured term loans (including interest) to an extent of ₹ 629.05 lakhs as at June 30, 2019

Sundar Srini & Sridhar Chartered Accountants 025904

Consolidated Construction Consortium Ltd. Chennai 600 004

11 During the financial year 2017-18, secured lenders had approved the restructuring package under "Scheme for Sustainable Structuring of Stressed Assets" (S4A). The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's borrowings from Secured lenders becoming "Non-Performing Assets" (NPAs). Such defaults entitle the lenders to revoke the S4A package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan agreements. In the absence of any communication from these lenders and on the basis of an ongoing discussion with lenders, the Company has not provided for additional interest from S4A cut-off date till June 30, 2019 which arises on account of differences between interest rate as approved under S4A package and interest rate approved as per the original sanction letter and penal interest on overdue amount of interest and installment. The additional interest and penal interest if any could not be quantified as on date.

12 Outstanding balances of Trade Receivables including retention, Trade Payables, Other Deposits, Advances and Other Current Assets/ Liabilities are subject to external confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material. In the opinion of the Board, the value on realisation of Trade Receivables, Loans and Advances and Other Current Assets, in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

13 Exceptional item in the Standalone financial results represents recognition of impairment loss on the loans and advances given to subsidiaries.

14 The approval from Central Government is pending for the excess remuneration of Rs. 118 lakhs paid to the whole-time directors during the financial year ended March 31, 2014.

15 The Company and the Group operate in only one segment, viz. Construction and other infrastructural services, as such reporting is done on single segment basis.

16 Previous period figures have been regrouped/reclassified, wherever necessary to conform to current period's classification.

For and on behalf of the Board of Directors

Sundar Suni & Sridhar
Chartered Accountants
020504

Consolidated Construction Consortium Ltd.
Chennai
600 004

Place: Chennai
Date: 27 July, 2019

S. Sivaramakrishnan
Managing Director

Limited Review Report on the Statement of quarterly unaudited Standalone financial results of Consolidated Construction Consortium Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of **Consolidated Construction Consortium Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Consolidated Construction Consortium Limited** ("the Company") for the quarter ended 30th June, 2019 (the "Statement") together with notes thereon, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 ("the Circular) which we have initialed for identification purposes only.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 27th July 2019. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and towards analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

4. Trade receivables include a sum of Rs. 48,336.50 lakhs which are under arbitration, which according to the Management will be awarded fully in Company's favour on the basis of the contractual tenability, progress of arbitration and legal advice and hence no provision for impairment loss has been considered necessary by the management as disclosed in Note 8(b). However, considering the significant time involved in the arbitration process and delays in the realisation of amounts in the recent years for the claims awarded in favour of the Company we are unable to comment on the carrying value of the above referred claims and the shortfall, if any, on the amount that would be ultimately realized by the Company.

Sundar Srini & Sridhar
Chartered Accountants
025504

I Floor, New No. 9, Rajamannar Street, T.Nagar, Chennai - 600 017. India. Phone : +91-44-28158528, 42071969 Fax : +91-44-28158526 e-mail : mailchn@sssindia.com
BANGALORE COCHIN HYDERBAD

Material Uncertainty Related to Going Concern

5. We draw your attention to Note 4 to the Statement, which indicates that the company has negative net worth as at June 30, 2019. Further, it has incurred net cash losses for the quarter ended 30th June 2019 and in the immediate preceding financial year and the net working capital of the Company continues to be negative. Further, the Company has continuously defaulted in repayment of borrowings including interest from Banks and financial institutions. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations. These indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company is looking out for potential investors to raise cash by selling the non-core assets held by its subsidiaries or by issuing debt instruments and has proposed debt settlement plan with the bankers and further the Company expects improvement in the overall level of Operations. In view thereof and expecting favourable market conditions in future, the Unaudited Standalone Financial Results have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities.

   Our Conclusion on the Statement is not modified in respect of the above matters.

Emphasis of Matters

6. We draw your attention to Note 8(a) to Statement, regarding uncertainties relating to recoverability of trade receivables overdue for more than one year amounting to Rs. 11,046.29 lakhs (net of provisions of Rs. 11,274.53 lakhs) which according to the management is fully recoverable. Accordingly, no adjustment has been made in the Standalone Financials Results.

7. We draw your attention to Note 8(c) to Statement regarding claims made to clients amounting to Rs. 3,981.11 lakhs (net of expected credit loss of Rs. 66.00 lakhs) which were based on the on the terms and conditions implicit in the Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of work, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients. On the basis of the contractual tenability, progress of negotiations/discussions, the management considers these receivables are recoverable. Accordingly, no further adjustment has been made in the Standalone Financial Results.

8. We draw your attention to Note 10 to Statement regarding default committed by the Company in respect of repayment of Optionally Convertible Debentures, restructured term loans, working capital loan and interest thereon as per the terms of approved S4A scheme.

9. Note 11 regarding approval of restructuring package under "Scheme for Sustainable Structuring of Stressed Assets" (S4A) by the secured lenders. The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted in Company's borrowings from Secured lenders becoming "Non-Performing Assets" (NPAs). Such defaults entitle the lenders to revoke the S4A package. Upon exit, lenders are entitled to exercise rights and remedies available under

Sundar Srini & Sridhar
Chartered Accountants
005504

the original loan agreements. In the absence of any communication from these lenders and on the basis of an ongoing discussion with lenders, the Company has not provided for additional interest from S4A cut-off date till 30th June, 2019 which arises on account of differences between interest rate as approved under S4A package and interest rate approved as per the original sanction letter and penal interest on overdue amount of interest and installment. The additional interest and penal interest if any could not be quantified as on date.

10. Note 12 regarding outstanding balances of Trade Receivables including retention, Trade Payables, Other Deposits, Advances and Other Current Assets/Liabilities which are subject to external confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material. In the opinion of the Board, the value on realisation of Trade Receivables, Loans and Advances, and Other Current Assets, in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

Our Conclusion on the Statement is not modified in respect of the above matters.

11. Based on our review conducted as stated above, *except for the effects/possible effects of our observation stated in paragraph 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards, i.e., Ind AS prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No: 004201S

Sundar Srini & Sridhar
Chartered Accountants
025504

S. Sridhar
Partner
Membership No: 025504
UDIN: 19025504AAAACA9666

Place: Chennai
Date: July 27, 2019

Limited Review Report on the Statement of quarterly unaudited consolidated financial results of Consolidated Construction Consortium Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of **Consolidated Construction Consortium Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Consolidated Construction Consortium Limited** ("the Company" or "the Holding Company") and its subsidiaries and joint venture (the Holding Company, its wholly owned subsidiaries and joint venture together hereinafter referred to as the "Group") (refer paragraph 4 below) for the quarter ended 30th June, 2019 (the "Statement") together with notes thereon, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 ("the Circular") which we have initialed for identification purposes only. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and quarter ended March 31, 2019 as reported in these unaudited consolidated financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 27th July 2019. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and towards analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. The statement includes the financial information of the following entities:

   Parent

   Consolidated Construction Consortium Limited

   Subsidiaries and Joint Venture

   (a) Consolidated Interiors Limited - Subsidiary

   (b) Noble Consolidated Glazings Limited - Subsidiary

   (c) CCCL Infrastructure Limited - Subsidiary

Sundar Srini & Sridhar Chartered Accountants 025504

I Floor, New No. 9, Rajamannar Street, T.Nagar, Chennai - 600 017. India. Phone : +91-44-28158528, 42071969 Fax : +91-44-28158526 e-mail : mailchn@sssindia.com
BANGALORE COCHIN HYDERBAD

(d) CCCL Power Infrastructure Limited - Subsidiary

(e) Delhi South Extension Car Park Limited - Subsidiary

(f) CCCL Pearl City Food Port SEZ Limited – Subsidiary

(g) Yuga Builders – Joint venture

Basis of Qualified Conclusion

5. Trade receivables include a sum of Rs. 48,336.50 lakhs which are under arbitration, which according to the Management will be awarded fully in Company's favour on the basis of the contractual tenability, progress of arbitration and legal advice and hence no provision for impairment loss has been considered necessary by the management as disclosed in Note 8(b). However, considering the significant time involved in the arbitration process and delays in the realisation of amounts in the recent years for the claims awarded in favour of the Company we are unable to comment on the carrying value of the above referred claims and the shortfall, if any, on the amount that would be ultimately realized by the Company.

Material Uncertainty Related to Going Concern

6. We draw your attention to Note 4 to the Statement, which indicates that the Group has negative net worth as at June 30, 2019. Further, it has incurred net cash losses for the quarter ended 30th June 2019 and in the immediately preceding financial year and the net working capital of the Group continues to be negative. Further, the Company and few of its subsidiaries have continuously defaulted in repayment of borrowings including interest from Banks and financial institutions. The Group has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Group to generate additional cash flows to fund the operations as well as other statutory obligations. These indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Holding Company is looking out for potential investors to raise cash by selling the non-core assets held by its subsidiaries or by issuing debt instruments and has proposed debt settlement plan with the bankers and further the Company expects improvement in the overall level of Operations. In view thereof and expecting favorable market conditions in future, the Unaudited Consolidated Financial results have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities except for the adjustments made by the three subsidiaries as described in paragraph 7.

Our Conclusion on the Statement is not modified in respect of the above matters.

Sundar Srini & Sridhar
Chartered Accountants
025504

Emphasis of Matters

7. We draw your attention to Note 5 of the Statement, where the Board of Directors of the three subsidiaries namely CCCL Power Infrastructure Limited, Delhi South Extension Car Park Limited and Consolidated Interiors Limited have resolved that going concern assumption of the respective companies were vitiated and accordingly the assets and liabilities have been stated at realizable value.

8. We draw your attention to Note 8(a) to Statement, regarding uncertainties relating to recoverability of trade receivables overdue for more than one year amounting Rs. 9,637.29 lakhs (net of provisions of Rs. 11,889.94 lakhs) which according to the management is fully recoverable. Accordingly, no adjustment has been made in the Consolidated Financial Results.

9. We draw your attention to Note 8(c) to Statement regarding claims made to clients amounting to Rs. 3,981.11 lakhs (net of expected credit loss of Rs. 66.00 lakhs) which were based on the terms and conditions implicit in the Construction Contracts in respect of closed/suspended/under construction projects. These claims are mainly in respect of cost over run arising due to suspension of work, client caused delays, changes in the scope of work, deviation in design and other factors for which company is at various stages of negotiation/ discussion with the clients. On the basis of the contractual tenability, progress of negotiations/discussions, the management considers these receivables are recoverable. Accordingly, no further adjustment has been made in the Consolidated Financial Results.

10. We draw your attention to Note 10 to Statement regarding default committed by the Group in respect of repayment of Optionally Convertible Debentures, restructured term loans, working capital loans and interest thereon as per the terms of approved S4A scheme.

11. Note 11 regarding approval of restructuring package under "Scheme for Sustainable Structuring of Stressed Assets" (S4A) by the secured lenders. The Company has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted in Company's borrowings from Secured lenders becoming "Non-Performing Assets" (NPAs). Such defaults entitle the lenders to revoke the S4A package. Upon exit, lenders are entitled to exercise rights and remedies available under the original loan agreements. In the absence of any communication from these lenders and on the basis of an ongoing discussion with lenders, the Company has not provided for additional interest from S4A cut-off date till 30th June, 2019 which arises on account of differences between interest rate as approved under S4A package and interest rate approved as per the original sanction letter and penal interest on overdue amount of interest and installment. The additional interest and penal interest if any could not be quantified as on date.

12. Note 12 regarding outstanding balances of Trade Receivables including retention, Trade Payables, Other Deposits, Advances and Other Current Assets/Liabilities which are subject to external confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material. In the opinion of the Board, the value on realisation of Trade Receivables, Loans and Advances, and Other Current Assets, in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

Sundar Srini & Sridhar
Chartered Accountants
025504

Our Conclusion on the Statement is not modified in respect of the above matters.

Other Matter

13. The consolidated unaudited financial results also include the Group's share of Loss of Rs. 9.44 lakhs for the quarter ended 30th June, 2019, in respect of the joint venture, whose unaudited financial statements have not been reviewed by their auditors. These unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of the joint venture, is based solely on such unaudited financial statements and other unaudited financial information. According to the information and explanations given to us by the Management, these unaudited financial statements are not material to the Group.

    Our conclusion on the Statement is not modified in respect of the above matter.

14. Based on our review conducted as stated above, *except for the effects/possible effects of our observation stated in paragraph 5 above*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards, i.e., Ind AS prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No: 004201S

S. Sridhar
Partner
Membership No: 025504
UDIN: 19025504AAAACB2973

Sundar Srini & Sridhar
Chartered Accountants
025504

Place: Chennai
Date: July 27, 2019