



September 14, 2020

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 14.09.2020

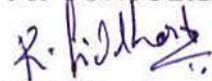
1. The Board of Directors met at Chennai on 14.09.2020 and inter alia, took on record the un-audited financial results for the quarter ended 30.06.2020.

The financial results along with the Limited Review Report for the quarter ended June 2020 is enclosed herewith.

The meeting of the Board of Directors was commenced at 3.30 PM and concluded at 05.15 PM

Kindly take the above on record

Yours faithfully,
For CONSOLIDATED CONSTRUCTION CONSORTIUM LTD.


R. Siddharth
Company Secretary

Consolidated Construction Consortium Limited

Regd. Office : 8/33, Padmavathiyar Road, Jeypore Colony, Gopalapuram, Chennai - 600086

CIN: L45201TN1997PLC038610

URL: www.ccclindia.com

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2020

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended
		Jun 30, 2020	Mar 31, 2020	Jun 30, 2019	Mar 31, 2020
		(Unaudited)	(Audited) (Refer Note 15)	(Unaudited)	(Audited)
1	Revenue from operations	1,477.41	8,308.50	9,795.76	33,600.17
2	Other Income	319.96	850.43	905.07	3,587.71
3	Total Income	1,797.37	9,158.93	10,700.83	37,187.88
4	Expenses				
	Cost of materials consumed and services cost	1,240.79	7,830.63	8,280.39	31,886.74
	Employee benefits expense	547.98	1,033.25	976.32	3,872.75
	Finance cost	1,881.24	2,527.95	2,596.18	10,145.12
	Depreciation and amortisation	113.90	136.77	130.15	544.59
	Other expenses	352.95	2,903.17	410.50	4,379.54
	Total Expenses	4,136.86	14,431.77	12,393.54	50,828.74
5	Profit/(Loss) before tax (3-4)	(2,339.49)	(5,272.84)	(1,692.71)	(13,640.86)
6	Exceptional Item - Profit/(loss)	(4.95)	(102.45)	(91.75)	(375.05)
7	Tax expense				
	Current tax	-	-	-	-
	Deferred tax	(0.21)	(33.86)	(0.22)	(34.52)
8	Profit/(Loss) for the period (5+6-7)	(2,344.23)	(5,341.43)	(1,784.24)	(13,981.39)
9	Other Comprehensive Income				
	a) i) Items that will not be reclassified to profit or (loss)				
	- Remeasurements of the defined benefit plans	2.50	4.83	(15.38)	(15.64)
	- Change in Fair value of Equity Instruments measured at FVTOCI	(172.33)	(23.63)	(334.51)	(661.70)
	ii) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-
	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	(169.83)	(18.80)	(349.89)	(677.34)
10	Total Comprehensive Income	(2,514.06)	(5,360.23)	(2,134.13)	(14,658.73)
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 ₹)	(0.59)	(1.34)	(0.45)	(3.51)
	(b) Diluted (in ₹)	(0.59)	(1.34)	(0.45)	(3.51)



Consolidated Construction Consortium Limited

Regd. Office : 8/33, Padmavathiyar Road, Jeypore Colony, Gopalapuram, Chennai - 600086

CIN: L45201TN1997PLC038610

URL: www.ccclindia.com

Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2020

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended
		Jun 30, 2020	Mar 31, 2020	Jun 30, 2019	Mar 31, 2020
		(Unaudited)	(Audited) (Refer Note 15)	(Unaudited)	(Audited)
1	Revenue from operations	1,626.10	8,495.04	10,013.27	34,393.19
2	Other Income	469.68	867.66	915.98	3,652.49
3	Total Income	2,095.78	9,362.70	10,929.25	38,045.68
4	Expenses				
	Cost of materials consumed and services cost	1,255.52	7,845.93	8,295.38	31,947.96
	Employee benefit expense	555.58	1,041.80	986.73	3,911.27
	Finance cost	2,102.00	2,705.63	2,848.16	11,047.52
	Depreciation and amortisation	216.98	245.68	130.82	655.52
	Other expenses	397.05	2,991.34	444.21	4,576.73
	Total Expenses	4,527.13	14,830.38	12,705.30	52,139.00
5	Profit/(Loss) before share of profit/(loss of associate/ joint venture and exceptional items (3-4)	(2,431.35)	(5,467.68)	(1,776.05)	(14,093.32)
6	Share of profit/ (loss) from Joint venture	(12.27)	(20.78)	(9.44)	(49.09)
7	Profit/(Loss) before exceptional items and tax (5+6)	(2,443.62)	(5,488.46)	(1,785.49)	(14,142.41)
8	Exceptional Items - Profit / (loss)		(1,424.93)	(194.43)	(1,619.38)
9	Tax expense				
	Current tax	-	-	-	-
	Deferred tax	(0.21)	(64.49)	(0.22)	(65.15)
10	Profit/(Loss) for the period from continuing operations (7+8-9)	(2,443.41)	(6,848.90)	(1,979.70)	(15,696.64)
11	Profit/(loss) from discontinued operations	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-
	Profit from discontinued operations after tax	-	-	-	-
12	Profit/(Loss) for the period(10+11)	(2,443.41)	(6,848.90)	(1,979.70)	(15,696.64)
13	Other Comprehensive Income				
	a) i) Items that will not be reclassified to profit or (loss)				
	- Remeasurements of the defined benefit plans	2.50	4.83	(15.38)	(15.64)
	- Change in Fair value of Equity Instruments measured at FVTOCI	0.72	(0.69)	(0.09)	(0.79)
	ii) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-
	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 / (loss)	3.22	4.14	(15.47)	(16.43)
14	Total Comprehensive Income	(2,440.19)	(6,844.76)	(1,995.17)	(15,713.07)
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 & discontinued operations)				
	(a) Basic (in ₹)	(0.61)	(1.72)	(0.50)	(3.94)
	(b) Diluted (in ₹)	(0.61)	(1.72)	(0.50)	(3.94)



Notes:

- 1 The Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020 have been reviewed and recommended by the Audit Committee at its meeting held on September 14, 2020 and approved by the Board of Directors of the company at its meeting held on September 14, 2020.
- 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, 2020 and have issued a modified review report dated September 14, 2020.
- 3 These Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
- 4 The Standalone and Consolidated financial results for the quarter ended June 30, 2020 indicate that the Company / the Group has negative net worth. Further, the Company / the group has incurred net cash losses for the Quarter ended June 30, 2020 and in the immediate preceding financial year and the net working capital of the Company/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 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. 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 has received Expression of Interest (EOI) from potential investors to raise cash by issuing debt instruments and the Company's proposed compromise debt settlement plan with the bankers being in an advanced stage of negotiation and further the Company/Group expects improvement in the overall level of Operations. There are no written agreements in place for such funding or issuance of securities and the Management cannot be certain that such events or a combination thereof can be achieved. Management believes that this plan provides an opportunity for the Company to continue as a going concern. In view thereof, 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 and considered for preparing consolidated financial results of the Company accordingly.
- 6 Balance value of work on hand for execution as at 30 June 2020 is ₹ 51,769.97 lakhs.
- 7 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.
- 8 Trade receivables and contract assets of Standalone & consolidated financial results include:
 - a) ₹ 10217.87 lakhs and ₹ 8465.16 lakhs respectively which are outstanding for more than three years in respect of completed projects. The Company/Group carries a provision of ₹ 3,398.67 lakhs and ₹ 3,083.18 lakhs respectively against such receivables. Further, ₹ 268.54 lakhs is outstanding for more than one year in respect of suspended projects. The Company carries a provision of ₹ 22.74 lakhs against those receivables. These receivables are periodically reviewed by the company/group and considering the commercial/contractual terms and on-going discussions with the clients, the management of the respective companies is confident of recovering the entire dues and that no further provision against these dues needs to be considered.
 - b) ₹ 50218.01 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. However, the Company carries a provision of ₹ 572.11 lakhs against these receivables.
 - c) ₹ 2,459.47 Lakhs outstanding for a period of more than one year in respect of unbilled revenue and claims made to client based on the terms and conditions implicit in the Construction Contracts in respect of ongoing/suspended projects. The said 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 billable / recoverable. The company carries a provision of ₹ 58.06 Lakhs against these claims. The provisions made are periodically reviewed by the company and the management feels that no additional provision is warranted.




- 9 During the financial year 2017-18, secured lenders had approved the restructuring package under "Scheme for Sustainable Structuring of Stressed Assets" (S4A). The Company/Group has not been able to generate sufficient cash flows to service the loan repayments/interest payments which resulted into Company's/Group's borrowings from Secured lenders becoming "Non-Performing Assets" (NPAs). As on June 30, 2020, the defaults committed by the Company and Group in respect of borrowings from secured lenders including interest accrued stand at ₹ 27,334.61 lakhs and ₹ 28,455.87 lakhs respectively. 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. 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, 2020 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 Restructured term Loan account statements / confirmation of balances as on June 30, 2020 for various borrowings from banks and financial institutions were not provided by the lenders to the Company and one of its subsidiaries consequent to classification of loan accounts by the lenders as NPAs. Further, the balances in cash credit accounts and term deposits held by the Company with the banks are subject to external confirmation and reconciliation, if any.
- 11 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, Other deposits, 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.
- 12 (a) The company's operations and financial results for the quarter ended June 30, 2020 had been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by the Government of India due to which the operations were suspended for part of the quarter and gradually resumed with requisite precautions. The results of the quarter are therefore are not comparable with those for the previous quarters.
- (b) From the business perspective, there is some negative short term financial impact due to slower execution of projects. While Management has evaluated and considered the possible impact of COVID 19 pandemic on the financial results, given the uncertainties, the impact on business is dependent on the circumstances as they evolve and Management will continue to monitor the developments.
- 13 Exceptional item in the Standalone Financial Results for the quarter ended June 30, 2020 and year ended March 31, 2020 represents recognition of impairment loss on the loans and advances given to subsidiaries. Exceptional items in the Consolidated Financial Results for the year ended March 31, 2020 represent recognition of impairment loss by a subsidiary on the capital advances and change in the carrying value of assets belonging to the Disposal Group which no longer meets the criteria of getting classified as Assets held for sale.
- 14 The approval from Central Government is pending for the excess remuneration of ₹ 118 lakhs paid to the whole-time directors during the financial year ended March 31, 2014.
- 15 The Standalone Financial Results and Consolidated financial results for the quarter ended March 31, 2020 is 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.
- 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

Place: Chennai
Date: September 14, 2020




S. Sivaramakrishnan
Managing Director



Limited Review Report on the Statement of unaudited quarterly 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, 2020 (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 as amended ("the Listing Regulation, 2015"), 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 14th September 2020. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

4. Trade receivables include overdue amounts outstanding for a period of more than three years aggregating to Rs. 10,217.87 lakhs receivable from certain customers in respect of completed projects against which the Company carries a provision of Rs. 3398.67 lakhs. Further, in respect of a suspended project an overdue amount of Rs. 245.80 lakhs (net of provision of Rs. 22.74 lakhs) is outstanding for a period of more than one year. The Management for the reasons stated in Note No. 8(a) feels that no additional provisions would be required. In the absence of audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment on the carrying value of the above referred receivables and the shortfall, if any, on the amount that would be ultimately realized by the Company from these customers.



5. Trade receivables include a sum of Rs. 50218.01 lakhs against which the Company carries a provision of Rs. 572.11 lakhs 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 additional 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 in respect of 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.
6. As stated in Note 9 and Note 10 to the 'Statement' the Company has not computed and provided for additional and penal interest on defaults under borrowings as per the contractual terms of the underlying agreements. Further, we have not received the account statements for restructured term loans from banks and financial institutions amounting to Rs. 7391.23 lakhs as at June 30, 2020. In the absence of sufficient appropriate audit evidence, we are unable to determine the possible impact thereof on the loss for the quarter ended June 30, 2020.
7. We have not received the bank statement for the balance lying in current account amounting to Rs. 6.08 lakhs and in Margin money accounts amounting to Rs. 299.87 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the quarter ended June 30, 2020.

Material Uncertainty Related to Going Concern

8. We draw your attention to Note 4 to the Statement, which indicates that the company has negative net worth as at June 30, 2020. Further, it has incurred net cash losses for the quarter ended June 30, 2020 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 issuing debt instruments and has proposed debt settlement plan with the bankers which is said to be in advanced stage of negotiation and further the Company expects improvement in the overall level of Operations. The ability of the Company to continue as a going concern inter alia is dependent upon its ability to secure funding from the investors and in obtaining approval from the lenders on the proposed debt settlement plan which are not wholly within control of the Company. The Company's ability to continue as a going concern is solely dependent on successful outcome of the above-mentioned management plans.

The Management has prepared the standalone financial results using going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly no adjustments have been made to the carrying value of the assets and liabilities.

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

Emphasis of Matters

9. We draw attention to Note 8(c) to Statement regarding unbilled receivables & claims made to clients amounting to Rs. 2401.41 lakhs (net of expected credit loss of Rs. 58.06 lakhs) which were based on the terms and conditions implicit in the Construction Contracts in respect of under construction projects. The 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.
10. As stated in Note 11 to the 'Statement' 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.
11. We draw your attention to Note 12(b) of the statement, which describes the management's assessment of the financial impact of the events arising out of Coronavirus (COVID-19) pandemic on the business operations of the Company. A definitive assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.
12. We draw attention to Note 15 of the Statement regarding the figures for the quarter ended March 31, 2020, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the preceeding financial year which were subject to limited review by us as required under the Listing Regulations.

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



13. Based on our review conducted as stated above, **except for the effects/possible effects of our observation stated under Basis of Qualified Conclusion Section above**, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 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: 20025504AAAAEO8274

Place: Chennai

Date: September 14, 2020

Limited Review Report on the Statement of unaudited quarterly 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 accompanying Statement of the Unaudited Consolidated Financial Results of **Consolidated Construction Consortium Limited** (the "Parent" or "Company"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of net loss after tax and total comprehensive loss of its joint venture for the quarter ended June 30, 2020 (the "Statement") together with notes thereon, being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulation, 2015"), which we have initialed for identification purposes only.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The statement includes the results of the following entities:

Subsidiaries and Joint Venture

- (a) Consolidated Interiors Limited - Subsidiary
- (b) Noble Consolidated Glazings Limited - Subsidiary
- (c) CCCL Infrastructure Limited - Subsidiary
- (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 overdue amounts outstanding for a period of more than three years aggregating to Rs. 8,465.16 lakhs receivable from certain customers in respect of completed projects against which the Group carries a provision of Rs. 3,083.18 lakhs. Further, in respect of a suspended project an overdue amount of Rs. 245.80 lakhs (net of provision of Rs. 22.74 lakhs) is outstanding for a period of more than one year. The Management for the reasons stated in Note No. 8(a) feels that no additional provisions would be required. In the absence of audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment on the carrying value of the above referred receivables and the shortfall, if any, on the amount that would be ultimately realized by the Company from these customers.
6. Trade receivables include a sum of Rs. 50,218.01 lakhs against which the Company carries a provision of Rs. 572.11 lakhs are under arbitration, which according to the Company's 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 additional 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 in respect of 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.
7. As stated in Note 9 & 10 to the 'Statement' the Group has not computed and provided for additional and penal interest on defaults under borrowings as per the contractual terms of the underlying agreements. Further, we have not received the account statements for restructured term loans from banks and financial institutions amounting to Rs. 8,267.15 lakhs (excluding interest accrued) as at June 30, 2020. In the absence of sufficient appropriate audit evidence, we are unable to determine the possible impact thereof on the loss for the quarter ended June 30, 2020.
8. We have not received the bank statement for the balance lying in current account amounting to Rs. 6.15 lakhs and in Margin money accounts amounting to Rs. 302.81 lakhs. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the quarter ended June 30, 2020.



Material Uncertainty Related to Going Concern

9. We draw your attention to Note 4 to the Statement, which indicates that the Group has negative net worth as at June 30, 2020. Further, the Group has incurred net cash losses for the quarter ended June 30, 2020 and in the immediate preceding financial year and the net working capital of the Group continues to be negative. Further, the Company and one 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 Company is looking out for potential investors to raise cash by issuing debt instruments and has proposed debt settlement plan with the bankers which is said to be in advanced stage of negotiation and further the Group expects improvement in the overall level of Operations. The ability of the Group to continue as a going concern inter alia is dependent upon its ability to secure funding from the investors and in obtaining approval from the lenders on the proposed debt settlement plan which are not wholly within control of the Group. The Group's ability to continue as a going concern is solely dependent on successful outcome of the above- mentioned management plans.

The Management has prepared the consolidated financial results using going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly no adjustments have been made to the carrying value of the assets and liabilities and their presentation and classification in the Balance Sheet except for the adjustments made by the three subsidiaries as described in Note 5 to the statement.

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

Emphasis of Matters

10. 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.
11. We draw your attention to Note 8(c) to Statement regarding claims made to clients amounting to Rs. 2,401.41 lakhs (net of expected credit loss of Rs. 58.06 lakhs) which were based on the terms and conditions implicit in the Construction Contracts in respect of under construction projects. The 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 Company's management considers these receivables are recoverable. Accordingly, no further adjustment has been made in the Consolidated Financial Results.

12. As stated in Note 11 to the 'Statement' 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. We draw your attention to Note 12(b) of the statement, which describes the management's assessment of the financial impact of the events arising out of Coronavirus (COVID-19) pandemic on the business operations of the Group. A definitive assessment of the impact on the subsequent period is dependent upon the circumstances as they evolve.
14. We draw attention to Note 15 of the Statement regarding the figures for the quarter ended March 31, 2020, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the preceding financial year which were subject to limited review by us as required under the Listing Regulations.

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

Other Matter

15. The consolidated unaudited financial results also include the Group's share of Loss of Rs. 12.27 lakhs for the quarter ended June 30, 2020, respectively, 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.



16. Based on our review conducted as stated above, **except for the effects/possible effects of our observation stated under Basis of Qualified Conclusion Section above**, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundar Sridhar & Sridhar

Chartered Accountants

Firm Registration No: 0042015



S. Sridhar

Partner

Membership No: 025504

UDIN: 20025504AAAAEP2296



Place: Chennai

Date: September 14, 2020