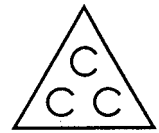


CONSOLIDATED CONSTRUCTION CONSORTIUM LTD.

12th Annual General Meeting :: 25th June, 2009



CHAIRMAN'S SPEECH

Dear Members,

I heartily welcome you all to the 12th Annual General Meeting of Consolidated Construction Consortium Limited. The financial statement of accounts of the Company for the year ended 31st March, 2009 and the Directors' Report have been circulated to all shareholders.

FINANCIAL PERFORMANCE

Your company has seen consistent growth from the date of inception in 1997. The company's consolidated turnover had increased from Rs.1596 million in the year 2004 to Rs.18413 million in the current year. Consolidated Profit after tax (PAT) has increased from Rs.41.20 million in 2004 to Rs.728 million during the current year, registering an increase of more than four times in five years. Your company had orders of Rs.33228 Million as of 31.03.09 compared to Rs.26524 million as of March 31, 2008, which includes the prestigious airport expansion order from Airports Authority of India, Chennai. As you are well aware, CCCL is also presently associated with Mangalore, Rajahmundry and Trivandrum Airports. And Trichy and Dehradun complexes have been handed over to AAI already. We have also been awarded the contract for construction of prestressed concrete bridge across river Adyar by AAI for a total value of Rs.1860 Million.

Our subsidiary Consolidated Interiors had doubled its turnover this year. It is getting adequate orders and the orders in pipeline as of date is around Rs.410 Millions. Our Glazings subsidiary is making good progress in all parameters and is getting considerable orders from AAI.

With your all round support and approval, your company was able to amend its objects for getting orders on BOOT, BOT, DBFO and DBOT basis and a good progress is being made in this regard which will be reported to you in due course.

Despite the slowdown in economy due to global recession, your Directors have preferred to recommend a dividend of Rs.2.50 per share for the year 2008-09. The company has a record of uninterrupted payment of annual dividend to the members and this year too, it is maintaining the dividend by keeping members' interests in mind.

ECONOMIC OVERVIEW

We have witnessed a general election in India and a new stable government had been installed. The economic scenario at present presents a mixed bag and the new government is expected to take all steps to restore economic growth amid slowdown. As reported in the columns, signs of global recovery are under way and the ensuing budget is expected to give more sops to drive the industrial growth in a better way amidst recession. It is also expected that the budget will focus on infrastructure projects which will be a boost to the industry as a whole and your company in particular.

The country registered an annual growth rate of 8.8% during the period 2003-2008. The current year (2008-09) has seen the growth momentum slackening. India's growth rate would be around 6-9% based on the various estimates published. The outlook for 2009-10 is also encouraging with

We build relationships



growth being pegged around 6.5%. While the global economic slowdown has had a definitive impact on India's economy, our growth in the midst of world's worst economic crisis had been reasonably good. The challenge is now to bring the economy back to the earlier high growth trajectory of 9% and to prepare for the upswing in global business cycle.

The impact of global economic slowdown has been felt by the infrastructure industries in India too indirectly. As a result, the growth of key infrastructure industries slowed down to 2.3 per cent in December 2008 from 3.2 per cent a year ago, mainly on account of drop in steel and crude oil output. The poor performance of infrastructure industry is likely to affect the economy adversely. However, the company is able to notch orders to the extent of around Rs.550 crores since the closure of accounts.

OUTLOOK FOR INDUSTRY

The general economic slowdown, liquidity problem, uncertainty with regard to demand and mounting inventories, all had their adverse impact on corporate India. As per the Annual Report of Madras Chamber of Commerce & Industry, the corporate sector witnessed the maximum amount of shelving of projects in the first three quarters of 2008-09 (April to December 2008) during which projects worth more than Rs.64,000 Crores were shelved. Some projects which were already under implementation got stalled in the December 08 quarter. The total investment in such stalled projects was about Rs.60,000 crores. The main reasons were global slowdown and difficulties in funding. Besides the above, investments worth at least Rs. 1.00 lakh crore have been deferred due to liquidity crunch, including major steel projects.

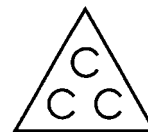
In spite of the setback due to slowdown, the government with increased investment envisaged under the 11th Five Year Plan (2007-12) in the infrastructure sector, is expected to provide impetus for private players to take up power, ports, airport, railways, roads, bridges and telecommunication projects which hold the key to raise the economic growth rate and sustain the economy on an even keel. The Government has accorded approval to 37 infrastructure projects worth Rs.70,000 crores during August 2008-January 2009. Under the PPP mode, 54 central sector infrastructure projects costing Rs.67,700 Crore were given in principle or final approval and 23 projects costing Rs.27,900 crores were approved for viability gap funding in 2008-09.

Amidst the various bottlenecks faced, as per the Planning Commission's estimate, the industry is poised to grow at CAGR of nearly 14% and hence we look forward to a promising revival of the industry during the next couple of years.

PROSPECTS FOR YOUR COMPANY

The Government's emphasis on developing a strong and sound infrastructure setup in the country has permitted the entry of private and foreign investments in the core areas of power, ports, roads, bridges and in other forms of infrastructure towards infrastructure development in the country.

Your company has been working in the last six months to equip itself to participate and take advantage of these growth areas. Of the total orders of Rs.33228 Millions, nearly 43% consist of infrastructure projects and 40% in commercial sector. The company expects to achieve the same growth rate as in previous years. In view of the various measures taken to reduce overheads and



improve productivity, we are hopeful of achieving better profit before tax in the coming year. Some of the other opportunities available to your company are:

- a. Urban infrastructure viz., development of institutions, complexes, townships, offices etc.,
- b. Construction of ports, airports etc., roads & bridges;
- c. Green buildings
- d. Construction and modernization of IT parks and Biotech parks
- e. Development of SEZ, Food Processing Zones

The major threat faced by the company, is that the industry set-up is characterised by the predominance of the small unorganised localized contractors barring a handful of large companies. To counter the growing competition and keeping in view the rising outlays on construction projects, companies like CCCL have started investing in capital equipment and latest technology. The changing structure of the construction industry with public private partnership has paved the way for the organised entities to play active role in the development of the sector.

In this context, I would like to inform the members that we are developing a full-fledged SEZ in Tuticorin for food processing through our subsidiary, CCCL Infrastructure Limited. The Ministry of Commerce & Industry has notified the same in April 2009 and the same has been published in Government Gazette.

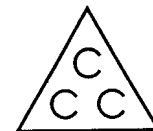
In order to fund the infrastructure projects envisaged in future, we place before the members a special resolution for raising funds both from within the country and abroad, and the same is recommended by the Board.

CORPORATE GOVERNANCE

Your Company strives to maintain the highest standards of Corporate Governance by ensuring transparency in all its operations and disclosures, so as to maximise shareholder value and also to enable them to understand the company's operations and also the activities of the Board of Directors directed towards betterment of relations with the members. The special resolutions placed before the members through postal ballot process in April 2009, were passed with requisite majority and the result was declared on 11th May 2009. The entire exercise was to amend the Memorandum and Articles of Association of the company for facilitating issue of corporate guarantees for undertaking infrastructure projects. I thank the members for their cooperation in this regard.

SOCIAL RESPONSIBILITY

Your company is committed to conduct all aspects of business in an ethical, environment friendly and socially responsible manner and contribute positively to the customers and suppliers and also to the society at large. In this connection, your company has been awarded the prestigious ISO 14001:2004 certification and OHSAS 18001:2007 from Bureau Veritas Certification (India) Private Limited for the Environmental Management System implemented. With this certification CCCL will continue focusing on the conservation of natural resources, environment friendly buildings, avoiding contamination of water, air, land etc.



The OHSAS 18001:2007 certificate was awarded to CCCL for occupational health and safety at CCCL's projects. With this certification CCCL will continue focusing on the safety and prevention of accidents for staff at work, educate employee on occupational health and safety measures, developing new technology on occupational health and safety.

We have also set up a Skill Development Centre to train manpower for deployment in various projects. The centre has been catering to trainees in batches in the disciplines like carpentry, electrical & mechanical and surveying and absorbed 230 trainees in the company's roll. We have also tied up with SASTRA University, Thanjavur for locating promising candidates for giving on-the-job training in engineering & skill development during the course period, complimenting engineering education at the University.

ACKNOWLEDGEMENT

I convey my earnest appreciation to my colleagues on the Board for their valuable guidance, and the employees, for their commitment and fortitude in difficult times the company is passing through. I would also like to acknowledge with thanks the support of you members, our bankers, clients, customers, suppliers, auditors and various government authorities.

Thanking you,

R.Sarabeswar
Chairman and Chief Executive Officer