

FORM A

(Pursuant to Clause 31 (a) Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Madhucon Projects Limited CIN-L74210TG1990PLC011114
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Matter of Emphasis
4	Frequency of Observation	NA
5	To be signed by:	
	i. Managing Director	 (N. Seethaiah)
	ii. Chief General Manager (F&A)	 (S.A. Mushtaq)
	iii. Auditor of the company	 K. Siva Ramakrishna Prasad M. No. 022964 Partner- M/s. Kota & Company Chartered Accountants Firm Registration No. 011982S
	iv. Audit Committee Chairman	 Sri Kandimalla KVN Prasad Independent Director & Chairman of the Audit Committee



MADHUCON PROJECTS LIMITED

25TH ANNUAL REPORT

2014 - 2015



MADHUCON PROJECTS LIMITED

(CIN: L74210TG1990PLC011114)

Board of Directors:

N. Seethaiah
Managing Director

K. Srinivasa Rao
Whole-time Director

Mohammad Shafi
Whole-time Director

Kandimalla KVN Prasad
Independent Director

Ch. Lakshimi Kumari
Woman-Independent Director

P. Madhava Rao
Independent Director

Company Secretary:
C.Bharathi

Auditors:

M/s. Kota & Company
Chartered Accountants
(FRN-011982S)
H.No.331, Arora Colony-2
Road No.3, Banjara Hills,
Hyderabad-500034.

Registered Office:

1-7-70, Madhu Complex,
Jublipura, Khammam-507003.

Corporate Office:

Madhucon House, Plot No.1129/A,
Road No.36, Jubilee Hills,
Hyderabad-500033.

Registrar & Share transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31- 32, Gachibowli,
Financial District, Nanakramguda
Hyderabad – 500 032

Bankers:

Axis Bank Limited
Bank of India
Canara Bank
IDBI Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank
Oriental Bank of Commerce
State Bank of India



MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

Regd. Office: H. No.1-7-70, Jublipura, Khammam, Telangana-507003

Website: www.madhucon.com; E-mail: corporate@madhucon.com

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of **Madhucon Projects Limited** will be held on Wednesday, the 30th September 2015 at 3.00 PM at the Registered Office of the Company situated at Madhu Complex 1-7-70, Jublipura, Khammam-507003 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015 together with the report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year 2014-15.
3. To appoint Auditors and to fix their remuneration.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kota & Company, Chartered Accountants, (FRN - 011982S) Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration (including out of pocket and incidental expenses) as may be determined by the Board of Directors of the Company”.

SPECIAL BUSINESS:

4. **Appointment of Sri Mohammad Shafi (DIN-07178265) as Whole-time Director of the Company:**

To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Sri Mohammad Shafi (DIN-07178265) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT in accordance with to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the appointment of Sri Mohammad Shafi (DIN-07178265) as Whole- time Director of the Company for a period of 3 (Three) years with effect from 30th May, 2015 on a monthly remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) inclusive of all perquisites.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Approval for the remuneration of the Cost Auditor for the financial year ending on March 31, 2016:

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) inclusive of all taxes payable to M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending March 31, 2016, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in

force), the draft regulations contained in the Articles of Association submitted to this Annual General Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By Order of the Board
For Madhucon Projects Limited**

Date: 14.08.2015
Place: Hyderabad

**C. Bharathi
Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members separately.
3. A member entitled to attend and vote at the Annual General Meeting (“Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy form is attached herein.

A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote at this Annual General Meeting as per Section 113 of the Companies Act, 2013.
5. In case of Joint shareholders attending the Meeting, only such joint holder whose name stands first on the Register in respect of such share will be entitled to vote.
6. Members who hold shares in the physical form and wish to make/ change nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit their request to the Company in Form No. SH.13.

7. Members who are holding shares in physical form are requested to dematerialize their physical shareholdings with Depository Participants (DP) in order to facilitate the benefit of electronic trading.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy Computershare Private Limited (RTA)
9. Members, who have not registered their e-mail addresses so far and holding shares in electronic form are requested to register their e-mail address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to register their e-mail address to the Company / Karvy Computershare Private Limited (RTA) for receiving all communication including Annual Report, Notices etc.
10. The Register of Members and Share Transfer Books will remain closed from 24th September, 2015 to 30th September, 2015 (inclusive of both days) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
11. Dividend on Equity Shares, if declared, will be paid to the members whose names appear in the Company's Register of Members on 23rd September, 2015; in respect of shares held in electronic mode, the dividend will be paid to the beneficiaries as per the details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
12. Dividend, if any remained unpaid or unclaimed for a period of 7 years or more, will be transferred to "Investor Education and Protection Fund" pursuant to the provisions of the Companies Act and thereafter, no claim shall lie against such fund or against the Company.
13. The Shareholders who have not encashed their dividend for the financial year 2007-2008 to 2013-2014 may approach the Secretarial Department of the Company for issue of fresh Demand Drafts against production of such proof of documents as may be required.
14. The Dividend which remained uncashed for the financial year 2007-2008 is due to be transferred to "Investor Education and Protection Fund on 4th November, 2015. Therefore, Shareholders may approach Secretarial Department of the Company for claiming their dividend on or before 4th November, 2015.
15. Members may also note that the copy of notice of this Meeting and the Annual Report for the financial year 2014-15 will also be available on the website of the Company www.madhucon.com

ANNEXURE:

Explanatory Statement Pursuant to the provision of Section 102(1) of the Companies Act, 2013:

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 4: Appointment of Sri Mohammad Shafi (DIN-07178265) as Whole-time Director:

The Board of Directors of the Company on the recommendations of the Nomination and Remuneration Committee at their meeting held on 30th May, 2015 appointed Sri Mohammad Shafi as Whole-time Director of the Company for a period of 3 (Three) years effective from 30th May, 2015 on a monthly remuneration of Rs.2,00,000/- (Rupees Two Lakhs only) inclusive of all perquisites subject to concurrence and approval of shareholders.

Sri Mohammad Shafi is not holding any Equity shares of the Company and he does not hold any directorship in other companies.

Sri Mohammad Shafi is an Engineer by profession, aged about 55 years and associated with Company since very beginning. He successfully completed many Road Projects, Turnkey Projects of Coal Handling Plants, Major Workshops, Integrated Water Supply System and Mining Projects of the Company under his Project Management.

Your Board of Directors recommends the ordinary resolution as set out in Item No. 4 for Shareholders' approval.

None of the Directors and Key Managerial Personnel, except Sri Mohammad Shafi of the Company is concerned or interested, financial or otherwise, in the said Resolution.

Item No. 5: Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2016:

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2016, as set out in the Ordinary Resolution in Item No. 5.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested financial or otherwise, in the said Resolution

Item No. 6: Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

The existing Articles of Association ("Articles") of the Company are based on Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the Companies Act, 2013.

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and / or deletion. Hence it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The Board of Directors recommends the Special Resolution set out at Item No.6 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

**By Order of the Board
For Madhucon Projects Limited**

Date: 14.08.2015
Place: Hyderabad

**C. Bharathi
Company Secretary**

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2015.

1. FINANCIAL SUMMARY:

Particulars	(Rupees in Lakhs)	
	2014-2015	2013-2014
Gross Income	116496.07	89779.64
Profit before Depreciation & Taxation	10020.39	9673.90
Depreciation	3777.85	4701.86
Profit before Taxation	6242.54	4972.04
Provision for Taxation		
i) Current Tax	1308.50	1042.17
ii) Deferred Tax	0	758.19
Profit after Taxation	4934.04	3171.68
Profit available for appropriation	4934.04	3171.68
APPROPRIATION		
General Reserve	493.40	317.17
Proposed Dividend	73.79	147.59
Corporate Tax on Proposed Dividend	11.97	28.13
Balance transferred to Balance Sheet	4264.92	2768.75
Earnings per Share (Rs.)	6.69	4.30
Book Value (Rs.)	100.92	95.71
Paid-up Equity Share Capital	740.32	740.32
Reserves & Surplus	73731.41	69888.83

2. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as **ANNEXURE I** to this report.

3. BOARD MEETINGS:

The Board met 19 (Nineteen) times during the financial year 2014-2015. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
515	02.04.14	519	01.07.14	525	08.10.14	530	23.01.15
516	12.04.14	520	17.07.14	526	15.10.14	531	14.02.15
517	30.05.14	521	09.08.14	527	14.11.14	532	03.03.15
518	03.06.14	522	21.08.14	528	25.11.14	533	26.03.15
		523	03.09.14	529	26.12.14		
		524	25.09.14				

4. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed:

- i. That in the preparation of annual accounts for the financial year ended 31st March, 2015; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv. That the Directors have prepared the annual accounts for the year ended 31st March 2015 on a "Going Concern" basis.
- v. That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

5. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). Further, there has been no change in the circumstances which may affect their status as independent director during the year.

6. NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management and criteria for determining qualifications, positive attributives, and independence of a director of the Company. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

8. RELATED PARTY TRANSACTIONS:

The transactions entered with the related parties by the Company for the year under review with respect to rendering of services were on arm's length basis and in the ordinary course of business. Hence Section 188(1) is not attracted to the Company. Thus disclosure in Form AOC-2 is not applicable to the Company. There are no material related party transactions during the year under review with the promoters, Directors or Key Managerial Personnel.

9. STATE OF THE COMPANY'S AFFAIRS:

Your Company is the flagship Company of Madhucon Group. The Company is a well-established Construction Company and a leading Contractor in executing projects, in various sectors – Transportation (National & State Highways, Roads, Railways & Ports), Irrigation & Water Resources, Buildings & Property Development, Mining (Coal & other Minerals), Energy (Generation, Transmission & Distribution) and other Infrastructure Projects.

Further information on the Company's Business and the developments, opportunities and outlook of the Company and the industry in which it operates are discussed in detail in the Management Discussion & Analysis, which is enclosed in **ANNEXURE II**.

10. RESERVES:

During the year, the Company has transferred an amount of Rs.493.40 Lakh to General Reserves.

11. DIVIDEND:

Your Directors are pleased to recommend an Equity Dividend of 10% on paid up equity capital for the year ended 31.03.2015, subject to approval of the members at this Annual General Meeting. Your Directors feel gratified that the Company has been declaring dividend continuously during the last 12 years since 2002-03.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

13. INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:

The information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the **ANNEXURE III** and is attached to this report.

14. RISK MANAGEMENT:

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend;

- (a) The policy on Corporate Social Responsibility (CSR) and
- (b) Implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy by the Board of Directors.

Annual Report on CSR in the prescribed format is enclosed in ANNEXURE IV.

16. FORMAL ANNUAL EVALUATION:

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of Board and its committees and does the evaluation process. The statement indicating the manner in which formal annual evaluation of the Board and its committees are given in the report on Corporate Governance as annexed herewith.

17. REPORT ON THE PERFORMANCE/ FINANCIAL POSITION OF THE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES COMPANIES:

A separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1 as per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and is attached in ANNEXURE V.

18. CONSOLIDATION OF ACCOUNTS:

In compliance with Clause 32 of the Listing Agreement entered into with the Stock Exchanges and in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, Your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2015, duly audited by the Statutory Auditors which forms part of the Annual Report.

The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time. The Annual Accounts of Subsidiary Companies will also be kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

19. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR:

Sl. No.	Name of the Director	Appointed /Resigned	Date of appointment/ Cessation
1	Sri. Kandimalla KVN Prasad, Independent Director	Appointed	09.08.2014
2	Smt. Ch. Lakshmi Kumari, Independent Director	Appointed	09.08.2014
3	Sri.C.Venkateswara Rao, Independent Director	Resigned	25.09.2014

Appointment of Director/Key Managerial Person subsequent to the financial year end:

On the recommendations of the Nomination and Remuneration Committee and subject to concurrence and approval of shareholders in the ensuing Annual General Meeting, Sri Mohammad Shafi (DIN- 07178265) has been appointed as an Additional Director and Whole-time Director of the Company by your Board at its meeting held on 30.05.2015 for a period of 3 (Three) years on a monthly remuneration of Rs.2,00,000/- (Rupees Two Lakhs only) inclusive of all perquisites.

20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has adequate system of Internal Financial Control developed by our in-house Internal Audit team consisting of qualified and experienced accounting, costing and technical professionals. The Internal Audit Team suggests various means of cost reduction and cost control measures in all resources used in the Company. The Internal Financial Control Systems and the Reports of Internal Audit will be reviewed by the Audit Committee in consultation with the Internal Auditors and Statutory Auditors and experts in the field thereafter by Board of Directors.

21. VIGIL MECHANISM:

The Company has established Vigil Mechanism for Directors / Employees to report their genuine concerns or grievances. The Audit Committee of the Company oversees the vigil Mechanism through the Committee. It provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. It also provides for direct access to the Chairman of the Audit Committee. In case of repeated frivolous complaints, the suitable action will be initiated by the Chairman of the Audit Committee.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013 Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary trainees) are covered under this policy.

During the financial year 2014-15, the Company received no complaints on sexual harassment.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the Regulators/ Courts/Tribunals that would impact the going concern status of the Company and its future operations.

24. DEPOSITS:

The Company had not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31st March 2015

25. COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee was re-constituted on 14.11.2014 and comprised of the following directors as on 31st March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Smt. Ch. Lakshmi Kumari, Woman Independent Director as Member
3. Sri N. Seethaiah, Managing Director as Member

26. COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee was constituted on 14.11.2014 comprised of the following directors as on 31st March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Sri P Madhava Rao, Independent Director as Member
3. Sri K Srinivasa Rao, Whole-time Director as Member

27. STATUTORY AUDITORS AND THEIR REPORT:

M/s Kota & Company, Statutory Auditors (FRN-011982S) of the Company, expressed their willingness to be appointed for the financial year 2015-2016 and to hold office up to the conclusion of the next Annual General Meeting, if they are appointed at this Annual General Meeting. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under 141(1)(g) of the Companies Act, 2013.

28. COST AUDITORS:

The Board of Directors, on recommendation of Audit Committee subject to the approval of the Central Government, re-appointed M/s BVR & Associates, Cost Accountants (Registration No. 000453) as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to Works Contracts Construction of Roads, etc. for financial year commencing on 1st April, 2015 and ending on 31st March, 2016.

29. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Rakhi Agarwal & Associates has been appointed as Secretarial Auditors of the Company for the financial year 2014-15 to carry out the Secretarial Audit and issue report there on. Secretarial Audit report as issued by Ms. Rakhi Agarwal & Associates, Practicing Company Secretaries is annexed to this Report as ANNEXURE VI

30. LISTING WITH STOCK EXCHANGES:

The Company's securities have been listed Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Luxembourg Stock Exchange. Listing fee has been paid to Stock Exchanges within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2015-2016.

31. PARTICULARS OF EMPLOYEES:

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **ANNEXURE VII** and forms part of this Report.

32. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report as **ANNEXURE VIII**.

Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

33. ACKNOWLEDGEMENTS:

Your Directors express their appreciation for the support and co-operation of the Bankers, Central and State Government Authorities including National Highway Authorities of India (NHAI), Irrigation & CAD Department, Central Government, Government of various States, Clients, Consultants, Employees, Suppliers etc., for their continued support and encouragement from time to time.

For and on behalf of the Board

Place: Hyderabad
Date: 14.08.2015

N. Seethaiah
Managing Director
DIN-00784491

P. Madhava Rao
Independent Director
DIN-00385838

Form no. MGT- 9
As on financial year ended on 31.03.2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74210TG1990PLC011114
2.	Registration Date	15.03.1990
3.	Name of the Company	Madhucon Projects Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Public Company
5.	Address of the Registered office & contact details	H.No.1-7-70, Jublipura, Khammam, Telangana-507003
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda Hyderabad, Telangana-500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Construction and Construction Services	410, 421,422 and 429	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name of the Company and CIN	% of shares held	Applicable Section
1	Madhucon Infra Limited (CIN: U45200TG2006PLC049235)	94.89	2(87)
2	Madurai-Tuticorin Expressways Limited (CIN-U45203TG2006PLC050114)	54.12	2(87)
3	Madhucon Energy Limited (CIN- U45309TG2000PLC034007)	99.95	2(87)
4	Madhucon Mega Mall Private Limited (CIN-U45400TG2007PTC056734)	66.66	2(87)
5	Nama Hotels Private Limited (CIN-U55101TG2007PTC056818)	99.96	2(87)
6	Madhucon Heights Private Limited (CIN-U45209TG2007PTC056733)	66.66	2(87)

7	Agastyamuni Hydro Power Private Limited (CIN-U40108TG2010PTC068128)	60.00	2(87)
8	Rudraprayag Hydro Power Private Limited (CIN-U40108TG2010PTC068130)	60.00	2(87)
9	Tilwara Hydro Power Private Limited (CIN-U40300TG2010PTC068127)	60.00	2(87)
10	Simhapuri Energy Limited (CIN-U40101TG2005PLC048264)	7.36	2(87)
11	Madhucon Toll Highways Limited (CIN- U93000TG2008PLC060479)	0.008	2(87)
12	Madhucon Agra-Jaipur Expressways Limited (CIN-U45203TG2005PLC045689)	0.10	2(87)
13	TN(DK) Expressways Limited (CIN- U45200TG2006PLC048941)	0.13	2(87)
14	Trichy-Thanjavur Expressways Limited (CIN- U45200TG2006PLC049815)	0.15	2(87)
15	Chhapra-Hajipur Expressways Limited (CIN- U45209TG2010PLC068742)	0.16	2(87)
16	Barasat-Krishnagar Expressways Ltd (CIN- U45203TG2011PLC073469)	0.03	2(87)
17	Ranchi Expressways Limited (CIN- U45209TG2011PLC073568)	0.017	2(87)
18	Vijayawada – Machilipatnam Expressways Limited (CIN- U45209AP2011PLC077676)	1.78	2(87)
19	Rajauli-Bakhtiyarpur Expressways Limited (CIN- U45203TG2012PLC080775)	4.80	2(87)
20	Madhucon Sugar & Power Industries Limited (CIN:U15427TG2002PLC039859)	23.54	2(6)
21	MBN Anchored Earth Limited (CIN U45200TG1998PLC029310)	40.00	2(6)
22	Madhucon Properties Limited (CIN: U45200TG2005PLC045366)	33.33	2(6)
23	Ramnagar Power Private Limited (CIN- U40108TG2010PTC071246)	50.00	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	31028595	0	31028595	42.05	31028595	0	31028595	42.05	0
b) Central Govt	0	0	0	0	0	0	0	0	0

c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	12416943	0	12416943	16.83	12416943	0	12416943	16.83	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	43445538	0	43445538	58.87	43445538	0	43445538	58.87	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2570000	0	2570000	3.48	3438221	0	3438221	4.66	33.91%
b) Banks / FI	0	0	0	0	7505	0	7505	0.01	100%
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	3124832	0	3124832	4.23	354780	0	354780	0.48	-88.65%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	5694832	0	5694832	7.72	3800506	0	3800506	5.15	-33.26%
2. Non-Institutions									
a) Bodies Corp.	7669279	0	7669279	10.39	6776296	0	6776296	9.18	-11.64%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10349915	257510	10607425	14.37	12145457	258260	12403717	16.81	16.93%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5730403	0	5730403	7.77	6778864	0	6778864	9.18	18.29%
c) Others (specify)									
Non Resident Indians	235747	0	235747	0.32	355644	0	354644	0.48	50.43%
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	194416	0	194416	0.26	100039	0	100039	0.14	-48.54%

Trusts	3000	0	3000	0.00	6000	0	6000	0.01	100%
Foreign Bodies - D R	93500	0	93500	0.13	105336	0	105336	0.14	12.65%
Sub-total (B)(2):-	24276260	257510	24533770	33.25	26266636	258260	26524896	35.94	8.11%
Total Public Shareholding (B)=(B)(1)+(B)(2)	29971092	257510	30228602	40.96	30067142	258260	30325402	41.09	0.32%
C. Shares held by Custodian for GDRs & ADRs	120800	0	120800	0.16	24000	0	24000	0.03	-80.13%
Grand Total (A+B+C)	73537430	257510	73794940	100	73536680	258260	73794940	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Nama Nageswar Rao	10732262	14.54	0	10732262	14.54	0	0
2	Nama Chinnamma	6158000	8.34	0	6158000	8.34	0	0
3	Seethaiah Nama	6001800	8.13	0	6001800	8.13	0	0
4	Krishnaiah Nama	2676183	3.63	0	2676183	3.63	0	0
5	Srinivasarao Kamma	1009000	1.37	0	1009000	1.37	0	0
6	Prithviteja Nama	1001500	1.36	0	1001500	1.36	0	0
7	Dhanalakshmi Kamma	645000	0.87	0	669000	0.91	0	3.72%
8	Bhavyateja Nama	667350	0.90	0	667350	0.90	0	0
9	Tulasamma Mallampati	645000	0.87	0	645000	0.87	0	0
10	Varamma Nama	645000	0.87	0	645000	0.87	0	0
11	Ramarao Nama	509000	0.69	0	509000	0.69	0	0
12	Seetharamaiah Mareddi	165000	0.22	0	165000	0.22	0	0
13	Bhuvaneswari Nama	67500	0.09	0	67500	0.09	0	0
14	Madhu Malampati	24000	0.03	0	24000	0.03	0	0
15	Venkata Subbarao Thottempudi	24000	0.03	0	24000	0.03	0	0
16	Sucharita Thottempudi	24000	0.03	0	24000	0.03	0	0
17	Nageswara Rao Kamma	24000	0.03	0	0	0	0	100%
18	Suriyanarayanan Vaikuntanathan	10000	0.01	0	10000	0.01	0	0
19	Madhucon Granites Limited	80,44,000	10.90	0	80,44,000	10.90	0	0
20	Nama Investments Limited	36,44,410	4.94	0	36,44,410	4.94	0	0
21	NNR Infra Investment Pvt Ltd	7,28,533	0.99	0	7,28,533	0.99	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	43445538	58.87	43445538	58.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	43445538	58.87	43445538	58.87

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	Name of the Shareholders	Shareholding at the beginning of the year (01.04.2014)		Change in Shareholding		Shareholding at the end of the year (31.03.2015)	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of Shares	% of total shares of the Company
1	ICICI Prudential Life Insurance Company Ltd	3673484	4.98%	-	714792	2958692	4.01%
2	Chandra Singh Lodha	1745995	2.37%	777392	-	2523387	3.42%
3	Ashish Dhawan	1794999	2.43%	-	-	1794999	2.43%
4	Sundaram Mutual Fund A/c Sundaram Select Microcap- Series VI	-	-	1020000	-	1020000	1.38%
5	Sundaram Mutual Fund A/c Sundaram Select Microcap- Series V	-	-	934637	-	934637	1.27%
6	Sundaram Mutual Fund A/c Sundaram Select Microcap- Series VII	-	-	827962	-	827962	1.12%
7	Sundaram Mutual Fund A/c Sundaram Value Fund Series-I	-	-	655622	-	655622	0.89%
8	Tarun Jain	344956	0.47%	257002	-	601958	0.82%
9	Jai Vijay Resources Pvt Ltd	343135	0.46%	210675	-	553810	0.75%
10	Prateek D Agrawal	270876	0.375%	100000	-	370876	0.50%

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	7010800	9.5%	7010800	9.5%
	Date wise Increase / Decrease in Directors and Key Managerial Personnel Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	7010800	9.5%	7010800	9.5%

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,60,98,95,773	41,81,51,696	-	6,02,80,47,469
ii) Interest due but not paid	10,11,27,123	1,28,89,921	-	11,40,17,044
iii) Interest accrued but not due	1,16,35,286	-	-	1,16,35,286
Total (i+ii+iii)	5,72,26,58,181	43,10,41,617	-	6,15,36,99,798
Change in Indebtedness during the financial year			-	
* Addition	77,24,62,206	24,07,19,446	-	1,01,31,81,652
* Reduction	-	3,28,38,142	-	3,28,38,142
Net Change	77,24,62,206	20,78,81,304	-	98,03,43,510
Indebtedness at the end of the financial year				
i) Principal Amount	5,90,53,19,671	63,89,22,921	-	6,54,42,42,592
ii) Interest due but not paid	57,24,05,217	4,21,14,088	-	61,45,19,305
iii) Interest accrued but not due	1,73,95,500	-	-	1,73,95,500
Total (i+ii+iii)	6,49,51,20,388	68,10,37,009	-	7,17,61,57,397

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		N Seethaiah, Managing Director	K Srinivasa Rao, Whole-time Director	
1	Gross salary	60,00,000	30,00,000	90,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	60,00,000	30,00,000	90,00,000
	Ceiling as per the Act (11% of Net Profit as calculated as per Section 198 of the Companies Act, 2013)			5,42,74,439

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		P. Madhava Rao, Independent Director	Kandimalla KVN Prasad, Independent Director	Ch. Lakshmi Kumari, Independent Director	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	0
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (1)	Nil	Nil	Nil	0
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	0
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (2)	Nil	Nil	Nil	0
	Total (B)=(1+2)	Nil	Nil	Nil	0

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	4,32,000	Nil	4,32,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	0	Nil	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0	Nil	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	0	Nil	0
2	Stock Option	Nil	0	Nil	0
3	Sweat Equity	Nil	0	Nil	0
4	Commission	Nil	0	Nil	0
	- as % of profit	Nil	0	Nil	0
	Others specify...	Nil	0	Nil	0
5	Others, please specify	Nil	0	Nil	0
	Total	Nil	4,32,000	Nil	4.32,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

MANAGEMENT DISCUSSION AND ANALYSIS**I. Industry Structure and Developments:**

The level of a country's development is reflected by its infrastructure and the desperate need for infrastructure development has increased the demand of the construction industry in India. Infrastructure is a major sector that propels overall development of the Indian economy. Construction is the second largest economic activity after agriculture. India's focus on infrastructure over the last decade made the country the second fastest growing economy in the world. India has an extensive road network of 4.86 Million kms, which is the second largest in the world.

Indian economy is expected to grow marginally higher at 7.5% during the year compared with 7.2% in 2014 and interest rate cuts will buttress private sector spending. Considering the enhanced focus on this sector by the Indian Government, policy makers expect that 10% of India's GDP is based on construction activity and they project USD 1,000 Billion investments for infrastructure sector in 12th five year plan (2012-17) with 100,000 kms of national highway by the end of 2017. Road infrastructure is a government's key priority sector has received strong budgetary support over the years. The Indian Government is taking every possible initiative to boost the infrastructure sector and undertaken a number of measures to ease access to funding for the sector. The Reserve Bank of India (RBI) has notified 100 per cent foreign direct investment (FDI) under automatic route in the construction development sector.

II. Opportunities and Strengths:

The construction/infrastructure sector is likely to get major boost from the Government's focus on development of infrastructure in India. Many steps have been taken to improve funding avenues to the infrastructure sector. There are huge opportunities for the industry in the future. Your Company is having opportunities and strengths with an order book position of Rs. 6,838.35 Crore and participating in various Tenders and RFPs valued at Rs. 22,731.66 Crore in various projects in India.

III. Segment-wise performance:**1. Transportation Division:**

- a) Your Company has completed 1459 lane Kms of 4 BOT (Toll) projects. And 1760 lane Kms of Toll & Annuity Projects and 143 lane Kms of Item rate Projects are under progress.
- b) Your Company has been awarded the following new EPC Works from NHAI:
 - i. Nagapattinam - Thanjavur Section of NH-67 for a total Design Length of 78.533 Kms in the state of Tamil Nadu for an estimated value Rs. 397 Crore.
 - ii. Patna –Koliwar Section of NH-30 for a total length of 33.250 kms the state of Bihar for an estimated value of Rs. 598 Crore.
- c) Your Company has also been awarded an Item rate work of BPCL –Site grading works including Earth work, Roads, Drains, Compound wall, Piling Works for propylene derivative petrochemical Project (PDPP) of M/s. BPCL-Kochi Refinery in the state of Kerala for an estimated value of Rs. 157 Crore.

2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, dams, Tunnels, Spillways, lift irrigation Projects amounting more than Rs. 1000 Crore in PAN India. Now various Irrigation Projects amounting to Rs. 2072 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and Telangana.

3. Energy Projects:

Designing, engineering, development, construction, installation, testing and commissioning of coal fired thermal power project (Simhapuri Energy Limited) in two phases, viz 300 MW (consisting of 2 units of 150 MW each) in the first phase and 300 MW (comprising of two units of 150 MW each) in the second phase at villages Thamminapatnam and Mommidi at Krishnapatnam, in district Nellore, in the state of Andhra Pradesh has completed and become fully operational and generating power with full capacity.

4. Mining Division:

The work for removal of OB 416.46 Lakhs Cub. Mtrs. and Coal 159.39 Lakhs Metric Tons valued Rs.42,206 Lakh at Phularitand (BCCL) Project within the period of 7 years vide work order dated 07.02.2012 is under progress.

IV. Outlook:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. Government of India has significantly increased allocation of funds by Rs.70,000 Crore for investments in infrastructure in the Union Budget 2015-16. Your Company is giving major thrust in various infrastructure sectors to reap the benefit of growth in infrastructure sector.

V. Risks and Concerns:

Construction delays continue to be a concern factor which stems from number of factors outside the control of the project sponsors, which includes land acquisition, regulatory approvals, inflation, and litigation etc., which can delay the timely completion of the project and increase in cost of project. This can, in turn, lead to additional funding, additional cost of fund etc. Further the Indian industry, in general, the construction sector, in particular, is suffering from high interest costs. To stimulate much needed growth in the real economy, RBI and the commercial banks have to further cut their interest rates.

VI. Internal Control Systems and their adequacy:

Your Company has adequate system of Internal Control developed by our in-house Internal Audit team consisting of qualified and experienced accounting, costing and technical professionals to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets.

VII. Discussion on financial performance with respect to operational performance:

During the year under review, your Company has achieved a gross income of Rs. 1,16,496.07 lakhs as against Rs. 89,779.64 lakhs in the previous year. The Company has earned a net profit of Rs. 4,934.04 lakhs as against Rs. 3,171.68 lakhs in the previous year after providing for depreciation of Rs.3,777.85 lakhs as against Rs. 4,701.86 lakhs in the previous year.

VIII. Material developments in Human Resources / Industrial Relations:

Your Company has recruited competent Professionals at all levels of management for all verticals of the Company like Roads, Irrigation, Power, Mining, Building & Property Division as a part of corporate restructuring process and strengthening its Business Verticals to meet the pace of growth of your Company. The industrial relation is very cordial.

**INFORMATION AS PER SECTION 134 (3) (F) THE COMPANIES ACT, 2013 READ
WITH RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014**

A. CONSERVATION OF ENERGY:

The Company is engaged in Civil Construction Activity which is not a predominantly power intensive. However, energy conservation measures are taken up wherever required.

B. TECHNOLOGY ABSORPTION:

The Company is constantly updating its technology in the areas wherever necessary for improving the productivity, efficiency and quality of its performance.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in lakhs)

PARTICULARS	2014-15	2013-14
Foreign Exchange Earnings:		
Advance received	3657.65	Nil
Foreign Exchange Outgo:		
i. Towards traveling	9.39	0.78
ii. Towards import of capital goods (CIF)	Nil	0.18
iii. Towards payment to equipment suppliers	2386.54	868.89
iii. On account of others:		
a) Investment	Nil	Nil
b) Interest	16.44	29.40
c) Loan Repayment	325.43	Nil
iv. Others	3.26	27.34

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

Brief outline of the Company's CSR policy:

CSR Policy of the Company indicates the CSR activities included in the Schedule VII of the Companies Act, 2013

The Composition of the CSR Committee

CSR Committee of the Board has been constituted which comprising of the following members.

Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson

Sri N. Seethaiah, Managing Director as Member

Sri Kandimalla KVN Prasad, Independent Director as Member

Average net profit of the Company for last three financial years- Rs. 33.42 Crore

Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) - Rs.66.84 Lakhs

The Company is in search of CSR Projects /Programs within the purview of CSR Activities as stated in CSR Policy to be undertaken in the area it operates. Hence the Company could not spend any amount for the financial year 2014-15. Moving forward, the Company will endeavor to spend on CSR activities in accordance with the CSR Policy of the Company and Companies Act, 2013 and rules made thereunder.

N. Seethaiah
Managing Director
Member of CSR Committee
(DIN-00784491)

Annexure-V												
Form AOC-I												
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)												
Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures												
Part "A" : Subsidiaries											(Rs. in Lakhs)	
Sl. No.	Name of the Subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding
1	Madhucon Infra Limited	128777.70	-24534.61	185322.07	81078.97	131987.06	10765.28	-4161.54	--	-4161.54	--	94.89
2	Madurai Tuticorin Expressways Limited	16365.00	-10222.67	87569.79	81427.46	--	7321.13	-345.32	--	-345.32	--	78.60
3	Nama Hotels Private Limited	2713.00	-69.92	9709.84	7066.64	--	--	-14.70	--	-14.70	--	99.96
4	TN(DK) Expressways Limited	7466.00	-2684.16	33609.71	28827.86	--	3816.91	-954.35	--	-954.35	--	99.96
5	Trichy Thanjavur Expressways Limited	6465.00	-3126.40	39335.32	35996.72	--	4446.56	1.49	1.15	0.34	--	99.95
6	Madhucon Agra Jaipur Expressways Limited	9936.00	-6426.02	35193.09	31683.10	--	6425.34	-2650.31	2138.34	-4788.64	--	90.89
7	Chhapra- Hajipur Expressways Limited	6418.38	-88.91	82133.10	75803.62	--	0.15	-16.37	--	-16.37	--	99.97
8	Madhucon Toll Highways Limited	35888.10	-210.22	35906.50	228.62	30151.62	32.97	-0.61	0.78	-1.39	--	99.99
9	Madhucon Mega Mall Private Limited	3.00	-42.34	3596.33	3635.67	--	1.06	0.86	--	0.86	--	66.66
10	Madhucon Heights Private Limited	3.00	-53.46	7330.14	7380.60	--	--	-0.24	--	-0.24	--	66.66
11	Barasat- Krishnanagar Expressways Limited	4340.00	-98.28	66026.64	61784.92	--	0.38	-10.87	--	-10.87	--	99.95
12	Ranchi Expressways Limited	8080.00	-120.77	91196.42	83237.19	--	1.08	-11.24	--	-11.24	--	99.98
13	Rajauli -Bakhtiyarpur Expressways Limited	25.00	-4.39	811.91	791.294	--	--	-0.74	--	-0.74	--	92.00
14	Simhapuri Energy Limited	87214.00	46289.62	436465.92	302962.17	29.56	155720.83	22954.69	4788.92	18165.77	--	92.55
15	PT Madhucon Indonesia*	1582215.00	584498.30	2163187.3	1165470.6	--	10204.78	61100.19	--	61100.19	--	95.00

* Incorporated in Indonesia and figures in Indonesian Rupiah

Exchange Rate as on 31.03.2015: 1 IDR = 0.0048 INR

Part "B" : Associates and Joint Ventures										(Rs. in Lakhs)	
Sl. No.	Name of the Associates / Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates / Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		
			No.	Amount of Investment in Associates / Joint Ventures	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation	
ASSOCIATES											
1	Madhucon Sugar and Power Industries Limited	31.03.2015	4,811,500	481.15	23.54	Significant influence due to shareholding	--	1989.02	162.07	--	
2	MBN Anchored Earth Limited	31.03.2015	40,000	4.00	40.00	Significant influence due to shareholding	--	6.31	-0.33	--	
3	Madhucon Properties Limited	31.03.2015	20,000	2.00	33.33	Significant influence due to shareholding	--	-4.10	-0.59	--	
4	Ramnagar Power Private Limited	31.03.2015	10,000	1.00	50.00	Significant influence due to shareholding	--	-3.21	-0.21	--	

FORM NO MR 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To,
The Members of,
MADHUCON PROJECTS LIMITED,

I have conducted the secretarial audit of the compliance of applicable statutory provisions of the Act, Rules and Regulations as mentioned below and the adherence to good corporate practices by Madhucon Projects Limited (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification on the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31ST March, 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Madhucon Projects Limited for the financial year ended 31ST March, 2015 according to the provisions of:-

- i. The Companies Act, 2013 and the rules made thereunder as applicable.
- ii. The Securities Contract (Regulation) Act, 1956 and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Bye Laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- vi. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(as amended upto 2011);
 - c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agent) Regulations 1993 regarding the Companies Act and dealing with client;

The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, National Stock Exchange of India

Limited and Luxemburg Stock Exchange. There were no issues during the year which required specific compliance of the provisions of the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made under that Act.

I further report that:

The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minute of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Majority decision is carried through and as informed by the Company, there were no dissenting views of the members of the Board at any Board/ Committee meeting held during the financial year.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. closure of Register of Members;
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- d. service of documents by the Company on its Members, , Stock Exchanges, Auditors and the Registrar of Companies;
- e. notice of Board and various Committee meetings of Directors;
- f. meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. notice and convening of Annual General Meeting held on 27.09.2014;
- h. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- j. constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
- k. payment of remuneration to Directors, Managing Director and Executive Directors;

- l. appointment and remuneration of Statutory Auditors and Cost Auditors;
- m. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- n. declaration and payment of dividend;
- o. transfer of amounts as required under the Act to the Investor Education and Protection Fund;
- p. borrowings and registration of charges;
- q. report of the Board of Directors;
- r. investment of the Company's funds including inter corporate loans and investments;
- s. generally, all other applicable provisions of the Act and the Rules thereunder.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the specific industry related laws as applicable specifically:

- (a) Customs Act, 1962 and the rules made thereunder as applicable;
- (b) Central Excise Act, 1944 and the rules made thereunder as applicable.
- (c) Rule 3(4) A.P. Shops and Establishment Rule, 1990.
- (d) Labour Act, 1970 or Labour Act, 2015 and rule made thereunder applicable
- (e) A.P. Tax on Professional, Trades Calling and Employment, 1987 and the rules made thereunder as applicable.
- (f) Employees Provident Fund Scheme, 1952 and the rules made thereunder as applicable.
- (g) Employee Pension Scheme, 1995 and the rules made thereunder as applicable.
- (h) Employees Deposit Linked Insurance Scheme, 1976 and the rules made thereunder as applicable.
- (i) Industrial Dispute Act, 1947 and the rules made thereunder as applicable.
- (j) Factories Act, 1948 and its other related acts, and the rules made thereunder as applicable.
- (k) Payment of Gratuity Act, 1972 and the rules made thereunder as applicable.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: 30.05.2015

For RAKHI AGARWAL & ASSOCIATES

**RAKHI AGARWAL
COMPANY SECRETARY
FCS NO.7047
CP NO.6270**

PARTICULARS OF REMUNERATION:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Name of the Director	Ratio to Median Remuneration
Sri N. Seethaiah, Managing Director	50:1
Sri K Srinivasa Rao, Whole-time Director	25:1

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; Nil

- (iii) The percentage increase in the median remuneration of employees in the financial year; Nil

- (iv) The number of permanent employees on the rolls of Company- 1461

- (v) The explanation on the relationship between average increase in remuneration and Company performance;

The number of employees decreased to 6.7% during the financial year. Consequently the average remuneration reduced to 4.8%

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Particulars	Rs/ Lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	90.00
Net Profit after tax	4934.04
Remuneration (as % of Net Profit)	1.82%

- (vii) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	Unit	As at 31.03.2015	As at 31.03.2014	Variation in (%)
Closing Price of share at BSE	Rs.	55.00	13.79	299
EPS (Consolidated)	Rs.	6.69	4.30	55.58
Market Capitalization	Rs/Cr	405.87	101.76	299
Price Earnings ratio	Ratio	8.22	3.21	156.07

Percentage of increase in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the Initial Public Offer:

The stock price of Madhucon as at March 31, 2015 increased by 83% (Rs.55.00/-) over the initial public offering i.e. IPO in January, 1996 at the price of Rs.30/-

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There is no average percentile increase in salaries of employees other than managerial personnel and managerial remuneration in 2014-15.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

Name of Person	Remuneration (Rs/ Lakhs)	Net Profit (Rs/ Lakhs)	Remuneration as % of Net Profit
Sri N. Seethaiah, Managing Director	60.00	4934.04	1.22%
Sri K Srinivasa Rao, Whole-time Director	30.00	4934.04	0.61%

- (x) The key parameters for any variable component of remuneration availed by the directors;
No.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;
NIL.
- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company.
Yes. It is confirmed.

REPORT ON CORPORATE GOVERNANCE

The Directors have pleasure in presenting the Company's Report on "Corporate Governance" pursuant to Clause 49 of the Listing Agreement of the Stock Exchange.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Madhucon Projects Limited aims to maximize its contribution towards enrichment of quality of life and societal welfare by nurturing an excellent organization for nation building. Madhucon Projects Limited believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance Shareholders' value. The Company's philosophy on Corporate Governance envisages attainment of high-level transparency, accountability, disclosures and integrity in the functioning of the Company. The Company believes that its systems and actions must be integrated for enhancement of corporate performance resulting in the maximization of shareholders value in the long run.

2. BOARD OF DIRECTORS:

i. Composition and Category of the Directors:

In terms of compliance with the requirement of clause 49(II) (A) of Listing Agreement, the Company endeavor to have an optimum combination of Executive and Non-Executive Director with one woman director to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees.

As on 31st March 2015, the Board consist of 5 (Five) Directors. There is 1(One) Managing Director, 1(One) Whole-time Director and 3(Three) Non-Executive Independent Directors including 1 (One) Woman Director.

ii. Attendance of each Director at the Board Meetings and the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2015 has been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2014-2015)	Attendance at previous AGM held on 27.09.2014
1	Sri N. Seethaiah Managing Director	19	Yes
2	Sri K. Srinivasa Rao Whole-time Director	19	No
3	Sri Kandimalla KVN Prasad Independent Director	3	Yes
4	Sri P. Madhava Rao Independent Director	19	No
5	Smt. Ch. Lakshmi Kumari Independent Director	13	Yes

iii) Number of other Boards or Board Committees in which he/she is a member or Chairperson.

None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Sri N. Seethaiah	Managing Director	12	5	1
2	Sri K. Srinivasa Rao	Whole-time Director	16	5	3
3	Sri. Kandimalla KVN Prasad	Independent Director	4	2	2
4	Sri P. Madhava Rao	Independent Director	3	1	---
5	Smt. Ch. Lakshmi Kumari	Independent Director	1	1	---

iv) Number of Board Meetings held and Dates on which held:

The Board met 19 (Nineteen) times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
515	02.04.14	519	01.07.14	525	08.10.14	530	23.01.15
516	12.04.14	520	17.07.14	526	15.10.14	531	14.02.15
517	30.05.14	521	09.08.14	527	14.11.14	532	03.03.15
518	03.06.14	522	21.08.14	528	25.11.14	533	26.03.15
		523	03.09.14	529	26.12.14		
		524	25.09.14				

The Company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The Company has video conferencing facilities to enable director's participation at board meetings. Detailed agenda notes are sent to the directors. All the information required for decision making are provided in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Chair Person and the Managing Director appraise the Board on the overall performance of the Company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Company secretary, Chairman and Managing Director regarding compliances of all laws on a quarterly basis

3. AUDIT COMMITTEE:

i. Brief description of terms of reference:

In terms of compliance with the requirement of clause 49(III) of Listing Agreement, the Audit Committee has been constituted consisting of qualified and independent Board members for providing accurate and transparent financial reporting to the Board and shall have the powers and roles to perform the functions as mentioned in Clause 49(III)(C) and 49(III)(D) of the Listing Agreement respectively read with Section 177 of the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson:

The Audit Committee was re-constituted on 14.11.2014 and comprised of the following directors as on 31st March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Smt. Ch. Lakshmi Kumari, Woman Independent Director as Member
3. Sri N. Seethaiah, Managing Director as Member

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of clause 49(III)(B) of Listing Agreement, the Audit Committee met 4 (Four) times during the financial year under review, on 30.05.2014, 09.08.2014, 14.11.2014, and 14.02.2015 and the attendance of the members of the Audit Committee as recorded is as under:

Sl. No.	Name of the Director	Status	No. of meetings attended
1	Sri N. Seethaiah*	Member	2
2	Smt. Ch. Lakshmi Kumari*	Member	2
3	Sri Kandimalla KVN Prasad*	Chairman	1
4	Dr. C. Venkateswara Rao**	Chairman	2
5	Sri P. Madhava Rao**	Member	2
6	Sri K. Srinivasa Rao**	Member	2

* Appointed w.e.f.14.11.2014

**Ceased w.e.f.14.11.2014 consequent to reconstitution of Audit Committee.

Head of Finance & Accounts Division and Internal Auditors attended the meetings of the Audit Committee as Invitees.

In terms of compliance with the requirement of clause 49(III) (E) of Listing Agreement, the Audit Committee reviews the information from time to time as specified in the said clause.

4. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

The terms of reference of Nomination and Remuneration Committee are as follows:

1. To determine the Company's policy on specific remuneration package for Executive Directors including compensation payment, if any, on behalf of the Board of Directors and Shareholders.
2. To review, assess and recommend the appointment of Executive Director from time to time and also remuneration package including Employees Stock Option Scheme to the Board of Directors.
3. Any other function as may be delegated by Board of Directors.

ii. Composition and Role of Nomination and Remuneration Committee:

Remuneration Committee has been reconstituted as Nomination and Remuneration Committee on 14.11.2014 comprised of the following non-executive independent directors as on 31st March 2015:

- 1) Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
- 2) Sri. Kandimalla KVN Prasad, Independent Director as Member
- 3) Sri. P Madhava Rao, Independent Director as Member

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

iii. Attendance during the year:

The Nomination and Remuneration Committee met 1 (One) time, during the financial year under review, on 14.02.2014 and approved the Remuneration Policy. The attendance of the meeting by the members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings Attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	1
2	Sri. Kandimalla KVN Prasad	Member	1
3	Sri. P Madhava Rao	Member	1

iv. Remuneration Policy:

The Policy provides for the following:

- a) attract, recruit, and retain good and exceptional talent;
- b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

- c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

Criteria for performance evaluation as laid down by nomination committee

The performance of Directors is evaluated by the Board (excluding the Director being evaluated) on the following criteria, as laid down by the Nomination and Remuneration Committee.

Evaluation Criteria:

- Active Participation in Board discussions and deliberations
- Contribution to development of strategy and risk management
- Guidance on corporate strategy, risk policy, corporate governance practices
- Independence and unbiased decisions/opinions etc.

v. Details of Remuneration to Executive Directors:

Of the total 5 (Five) directors, 2 (Two) are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non-executive directors do not draw any remuneration/ sitting fees from the Company for attending the meetings of the board and the committees. Details of Remuneration of the executive Directors for the financial year 2014-2015 are as follows:

Sl. No.	Director	Consolidated Salary (Per Month) (Rs)	Perquisites, Allowances and other Benefits	Performance Bonus/ Incentive/ Commission / Stock Option	Sitting Fees	Total (Per Annum)
1	Sri N. Seethaiah Managing Director	5,00,000/-	-	-	-	60,00,000/ -
2	Sri K. Srinivasa Rao Whole-time Director	2,50,000/-	-	-	-	30,00,000/ -

vi. Details of shareholding of Directors as on 31st March 2015:

As on 31st March 2015, the Company had 2 (Two) executive directors and 3 (Three) non-executive directors, the two executive directors hold equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

Sl. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Sri. Nama Seethaiah	Managing Director	6001800	8.13%
2	Sri. Kamma Srinivasa Rao	Whole-time Director	1009000	1.37%
3	Sri Kandimalla KVN Prasad	Independent Director	Nil	Nil
4	Sri. P. Madhava Rao	Independent Director	Nil	Nil
5	Smt. Ch. Lakshmi Kumari	Independent Director	Nil	Nil

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Committee is empowered to oversee the redressal of Shareholders/Investors Complaints/ Grievances pertaining to share transfers/non-receipt of Annual Reports/dividend payments, issue of duplicate share certificates, transmission of shares and other complaints etc.

i. Composition of the Committee:

The Stakeholders' Relationship Committee was constituted on 14.11.2014 comprised of the following directors as on 31st March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Sri P Madhava Rao, Independent Director as Member
3. Sri K Srinivasa Rao, Whole-time Director as Member

ii. Name and Designation of Compliance Officer:

Mrs. C. Bharathi, the Company Secretary has been designated as the Compliance Officer of the Company.

iii. Number of Shareholders' Complaint received during the year under report:

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. During the period under review, the Company has received 37 Complaints from Shareholders and disposed of 37 and the balance is Nil.

iv. Number of Complaints not solved to the satisfaction of Shareholders as on the date of approval of Directors Report - Nil

v. Number of Pending Complaints as on the date of approval of Directors Report - Nil

vi. E-mail ID for redressal of Shareholders' Grievances:

The Company has created a separate e-mail ID: cs@madhucon.com for the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering and redressal of complaints by investors / shareholders.

vii. Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 30.05.2014, 09.08.2014, 14.11.2014 and 14.02.2015 and the attendance of the members of the Committee as recorded is as under:

Sl.No.	Name of the Director	Position	No. of meetings attended
1	Sri Kandimalla KVN Prasad*	Chairman	1
2	Sri K. Srinivasa Rao	Member	4
3	Dr. C.Venkateswara Rao**	Member	1
4	Sri P. Madhava Rao	Member	4

*Appointed w.e.f.14.11.2014

** Ceased w.e.f.14.11.2014

6. GENERAL BODY MEETINGS:

i. Location and Time for the last three Annual General Meetings held and

ii. Special resolutions passed in the last three Annual General Meetings held:

The particulars of previous 3 (Three) Annual General Meetings of the Company held is set out here under:

Particulars	Date & Time	Venue	Special Resolution passed
24 th AGM(2013-2014)	27.09.2014 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1) Renewal of Borrowing Limits and creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013
23 rd AGM(2012-2013)	28.09.2013, 3.00PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
22 nd AGM (2011-2012)	29.09.2012, 3.00PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Issue of Further Securities.

iii. Special Resolution passed through Postal Ballot:

One Special Resolution was passed in the Annual General Meeting for the financial year 2013-14 through E-Voting for Renewal of Borrowing Limits and Creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013.

iv. Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on 14.02.2015 at the Corporate Office without the presence of Executive Directors to review the performance of non-Independent Directors and the Board as a whole.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such Familiarisation programme are disseminated on the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

7. DISCLOSURES:

In terms of compliance with the requirement of clause 49(VIII)(A),49(VIII)(B) and 49(VIII)(C) of Listing Agreement, the Company complies with the requirement relating to related party transactions, accounting treatment, remuneration to directors as specified therein wherever required. The clause 49(VIII)(I) of Listing Agreement is not applicable since the Company has not raised any proceeds from Public Issues, Rights Issues, Preferential Issues etc. during the financial year ended 31.03.2015. Similarly, clause 49(VIII)(C) of Listing Agreement relating to remuneration to Non-Executive Director is not applicable since no Non-Executive Director was paid any remuneration during the financial year ended 31.03.2015.

i. Related Party Transaction (RPT):

There has been no materially significant Related Party Transactions (RPT) with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors will be taken wherever required in accordance with the Policy.

The Company has also formulated a policy for determining the Material RPT and the details of such policy for dealing with RPT are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or Statutory Authority on any matters relating to capital markets during the last three years - None

iii. Whistle Blower Policy

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id. whistleblower@madhucon.com. The key directions/actions will be informed to the Managing Director of the Company.

iv. The Managing Director and the Chief General Manager have issued certificate pursuant to the provisions of Clause-49 of Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

v. Auditors' Report certifying the compliance of Corporate Governance as required under clause 49 of the Listing Agreement is annexed herein forming a part of Corporate Governance Report.

vi. **Subsidiary Companies:**

The financials of all the subsidiary companies have been duly reviewed by the audit committee. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding Company. The Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policy are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

vii. **SEBI Prevention of Insider Trading:**

With SEBI imposing the responsibility of "Prohibition of Insider Trading" in the Organizations, Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed by SEBI. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company, while in possession of the unpublished price sensitive information in relation to the Company. As on the date, there have been no violations of insider trading regulation.

viii. The Company has adhered to all the mandatory requirements of corporate Governance norms as prescribed in Clause 49 of the Listing Agreement

ix. **Code of Conduct for the Board of Directors and the Senior Management**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. The Board of Directors has adopted a code of conduct for all Board members and senior management of the Company and affirmed its compliance on annual basis for the Financial Year ended 31st March 2015. In terms of compliance with the requirement of clause 49(II)(E) of Listing Agreement are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

8. SHAREHOLDER'S COMMUNICATION:

i. The quarterly financial provisional un-audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarter and fourth quarter duly audited within 60 days as per the Clause-41 Listing Agreement.

The financial calendar events of 2014-15 relating to quarterly un-audited financial results are as follows:

Financial Reporting for the :	
1 st Quarter ended 30 th June 2014	09 th August, 2014
2 nd Quarter ended 30 th September 2014	14 th November, 2014
3 rd Quarter ended 31 st December 2014	14 th February, 2015
4 th Quarter ended and financial year 31 st March 2015	30 th May, 2015

- ii. The financial provisional un-audited results are published in a leading daily newspaper in English and in Regional language having nationwide circulation viz. Financial Express and Andhra Prabha and are disseminated in the website of the Company under the following link: <http://www.madhucon.com/corporate/investors.html>
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in <https://www.connect2nse.com/LISTING/> and to Bombay Stock Exchange in <http://listing.bseindia.com/>
- iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.
 - i. The Company from time to time made the presentations through video conference to institutional investors and/or to the analysts.

9. GENERAL SHAREHOLDER INFORMATION:

i) AGM: Date, Time and Venue:

Date : 30th September, 2015
Day : Wednesday
Time : 3:00 PM
Venue : Regd. Office: Madhu Complex, 1-7-70, Jublipura,
Khammam-507 003, Telangana

ii) Financial Year:

The Company follows the financial year commencing from 1st April to 31st March on consistent basis.

iii) Date of Book Closure:

The Share Transfer Register will be closed from 24th September, 2015 to 30th September, 2015 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared for the financial year ended 31st March, 2015. Dividend will be paid to the beneficial owner of the shares as per the details provided by the Depositors.

iv) Dividend Payment Date:

On or before 25th October, 2015

v) Listing on Stock Exchanges:

Bombay Stock Exchange (BSE)
Stock Code No.: BSE – 531497

National Stock Exchange (NSE)
Stock Code No.: NSE – MADHUCON

Luxembourg Stock Exchange
Security Name: Madhucon Projects Ltd.

vi) Stock Code:

INE 378D01032

vii) Market Price Data:**High and Low during each month in last financial year 2014-2015:**

High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE Stock Exchanges during the 12 months period ended 31st March 2015 are as under-

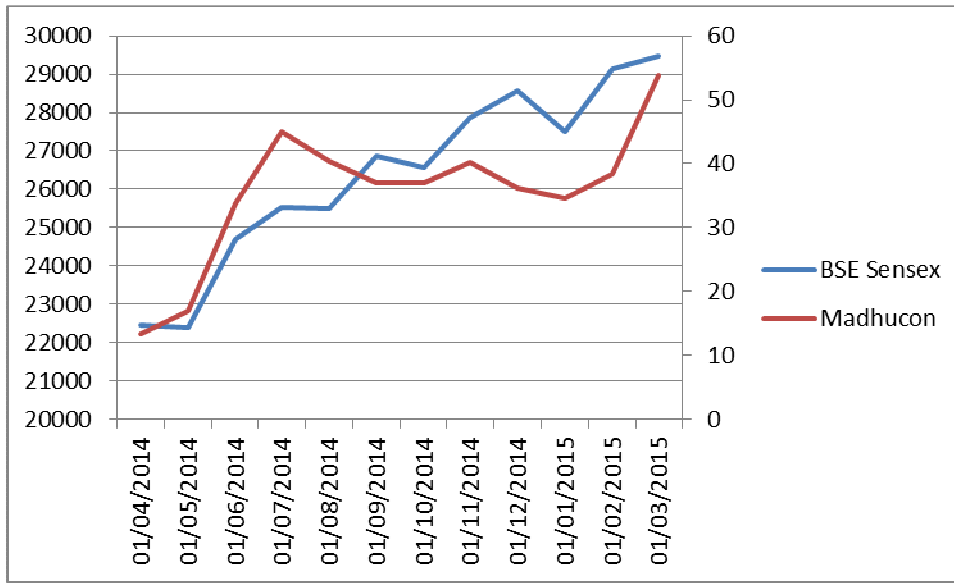
A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2014	20.17	13.00	4004023	10703
May 2014	36.05	15.02	2906647	14662
June 2014	52.03	33.85	3018113	12417
July 2014	47.15	36.95	625409	4360
August 2014	43.15	35.50	1180662	9048
September 2014	50.05	33.70	2046756	17521
October 2014	41.05	32.30	1245925	5528
November 2014	44.80	35.15	1113779	14094
December 2014	39.95	28.15	1557205	20740
January 2015	38.50	32.45	923364	14457
February 2015	56.90	34.60	2798765	38520
March 2015	64.65	48.80	2737820	31776

B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2014	20.15	13.20	1,08,11,220
May 2014	36.15	15.70	89,54,469
June 2014	52.30	33.85	59,42,370
July 2014	47.50	36.60	18,03,505
August 2014	43.25	34.25	25,63,958
September 2014	50.10	33.45	49,54,263
October 2014	41.15	32.20	29,48,492
November 2014	44.55	35.10	27,07,185
December 2014	39.75	27.95	39,98,696
January 2015	38.25	32.15	27,68,284
February 2015	56.80	34.50	91,11,315
March 2015	64.70	49.20	83,44,955

viii) Performance of the Madhucon Projects Limited Equity Shares relative to BSE Sensex Indices during the FY 2014-15



ix) Registrar and Transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31- 32,
Gachibowli, Financial District, Nanakramguda
Hyderabad, Telangana-500 032
Phone No.040-67161605

E-mail: madhusudhan@karvy.com

Contact Person Name & Designation: Mr. M.S. Madhusudhan, General Manager

x) Share Transfer System:

All the Share Transfers that are received will be processed by the Registrar and Share Transfer Agents (RTA) and approved and registered by the Board of Directors within 15 days from the date of lodgment and de-mat requests are normally confirmed within an average period of 15 days from the date of lodgment for transfer.

xi) Others:

Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the Company.

It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.

Shareholders holding shares in physical form, who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form No. SH.13. the form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend payments.

xii) A) Distribution of Shareholding as on 31st March, 2015

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	12259	95.68	5526446.00	7.49
5,001 - 10,000	225	1.76	1711300.00	2.32
10,001 - 20,000	149	1.16	2141168.00	2.90
20,001 - 30,000	56	0.44	1424437.00	1.93
30,001 - 40,000	20	0.16	672750.00	0.91
40,001 - 50,000	23	0.18	1026587.00	1.39
50,001 - 1,00,000	38	0.30	2660119.00	3.60
1,00,001 - Above	42	0.33	58632133.00	79.45
TOTAL	12812	100.00	73794940.00	100.00

B) Shareholding Pattern as on 31st March 2015 in terms of Clause 35 of Listing Agreement is as follows:

Category	Sub Category	No. of Shareholders	No. of Shares	% of Shares
A) Promoter's Shareholding	Indian Promoters			
	a) Individuals/ Hindu Un-dividend family	17	31028595	42.05
	b) Bodies Corporate	3	12416943	16.83
	c) Foreign Promoters	0	0	0
	d) Persons acting in Concert	0	0	0
	Total Promoters Shareholdings (A)	20	43445538	58.88
B) Public Shareholding	1) Institutions			
	a) Mutual Funds/ UTI	4	3438221	4.66
	b) Financial Institutions/Banks	2	7505	0.01
	c) Central/State Govt.(s)	0	0	0
	d) Venture Capital Funds	0	0	0
	e) Insurance Companies	0	0	0
	f) Foreign Institutional Investors	2	354780	0.48
	g) Foreign Venture Capital Investors	0	0	0
	2) Non- Institutions			
	a) Bodies Corporate	361	6776296	9.18
	b) Individual Shareholders holding:			
	i) Nominal share capital up to Rs.1 Lakh.	12178	12403717	16.81
	ii) Nominal share capital in excess of Rs.1 Lakh	13	6778864	9.19
	c) NRI	177	354644	0.48
	d) Trust	1	6000	0.00
	e) Clearing Members	51	100039	0.14
	f) Foreign Bodies-DR	2	105336	0.14

	Total Public Shareholding (B)	12791	30325402	41.09
C) Shares held by Custodians and against which depository receipts have been issued	Deutsche Bank Trust Company Americas – GDR's	1	24000	0.03
	Total (C)	1	24000	0.03
	Grand Total: (A)+(B)+(C)	12812	73794940	100.00

C) Top Shareholders as on 31st March 2015 holding more than 1%

Category	Name	No. of Shares	% of Shares
A) Promoter's Holding			
Individuals	Nama Nageswar Rao	10732262	14.54
	Nama Chinnamma	6158000	8.34
	Seethaiah Nama	6001800	8.13
	Nama Krishnaiah	2676183	3.63
	Nama Prithvi Teja	1001500	1.36
	Kamma Srinivasa Rao	1009000	1.37
Bodies Corporate	Madhucon Granites Limited	8044000	10.90
	Nama Investments Limited	3644410	4.94
	Total (A)	39267155	53.21
B) Public Shareholding			
B1) Institutional Investors			
a) Mutual Funds	Sundaram Mutual Fund A/c Sundaram Select Microcap Series VI	1020000	1.38
	Sundaram Mutual Fund A/C Sundaram Select Microcap Series V	934637	1.27
	Sundaram Mutual Fund A/C Sundaram Select Microcap Series VII	827962	1.12
B2) Non Institutions	ICICI Prudential Life Insurance Company Ltd	2958692	4.01
B3) Individual	1) Chandra Singh Lodha	2523387	3.42
	2) Ashish Dhawan	1794999	2.43
	Total (B1 + B2 +B3)	10059677	13.63

xiii. Dematerialization of shares and liquidity:

7,35,36,680 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,58,260 are in physical form equivalent to 0.35% as on 31st March 2015.

Trading of equity shares in Demat Form is made compulsory with effect from 1st January 2002 as per the Notification issued by Securities and Exchange Board of India (SEBI). Therefore, shareholders are advised to use the Demat facilities for trading in shares.

Electronic/Physical	No of Shares held	% of Capital
NSDL	53764356	72.86
CDSL	19772324	26.79
Physical	258260	0.35
Total	73794940	100.00

Shareholders are requested to convert their physical holding to demat /electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities

- xiv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No outstanding instruments.
- xv. Plant Locations – Not applicable since the Company is not engaged in manufacturing activities.
- xvi. **Address for Investors Correspondence:**

For any assistance in respect of status on Dematerialization of Shares, Transfer, Transmission, Transposition, Issue of Duplicate Certificates, Change of Address etc., members are requested to contact the following Registrar and Transfer Agent of the Company.

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31- 32,
Gachibowli, Financial District, Nanakramguda
Hyderabad, Telangana-500 032
Phone No.040-67161605

E-mail: madhusudhan@karvy.com

Contact Person Name & Designation: Mr. M.S.Madhusudhan, General Manager

For any queries regarding shares held in Demat Form, members are requested to contact their respective Depository Participants.

For any other information about the Company, members are requested to contact the following officer of the Company.

Company Secretary & Compliance Officer:

Corp. Off: “Madhucon House”, Plot No.1129/A,
Road No.36, Jubilee Hills, Hyderabad – 500 033 India

Telephone: (040) 23556001 / 2 / 3 / 4

Fax No: (040) 23556005

E-Mail: cs@madhucon.com

10. LISTING FEES:

Listing fee has been paid to Stock Exchanges within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2015-2016.

11. RECONCILIATION OF SHARE CAPITAL AUDIT:

The Quarterly Audit on Share Capital will be conducted by Practicing Company Secretary in accordance with circular of SEBI No. D&CC /FITTC/CIR-16/2002 dated 31st December 2002 and Certificates will be issued accordingly.

12. RECORD OF DIVIDEND FOR THE PAST THREE YEARS:

Year	Type of Payment	Rate in %	Amount per Share(Rs.)	Total Amount(Rs.)
2013-2014	Final	20	0.20	14758988
2012-2013	Final	10	0.10	7379494
2011-2012	Final	10	0.10	7379494

13. DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

In terms of compliance with the requirements of clause 49(II)(E)(2) of the Listing Agreement, the members of the Board and Senior Management personnel of the Company affirm that the code of conduct, as framed by the Company, is being complied with from time to time during the period under review.

For and on behalf of the Board

Place: Hyderabad

Date: 14.08.2015

N. Seethaiah
Managing Director
(DIN-00784491)

14. CEO / CFO Certification:

In terms of compliance with the requirements of clause 49(IX) of the Listing Agreement, Sri N. Seethaiah, Managing Director as CEO and S.A Mushtaq, CGM (F&A) of the Company certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. That the Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal control if any of which we are aware and steps that we have taken or proposed to take to rectify these deficiencies.
- D. Further, we have indicated to the Auditors and the Audit Committee
1. Significant changes in internal control over financial reporting during the year, wherever applicable;
 2. Significant changes in accounting policies during the year and correct information has been disclosed in the notes to the financial statements, wherever applicable and
 3. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting, wherever applicable.

Place: Hyderabad
Date: 14.08.2015

S.A. Mushtaq
Chief General Manager
Finance & Accounts

N. Seethaiah
Managing Director
(DIN-00784491)

Auditor's Certificate on Compliance of Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited having its Regd. Office at: 1-7-70, Jubilipura, Khammam – 507 003, Telangana for the year ended 31st March, 2015 as stipulated in Clause-49 of the Listing Agreement of the Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementations 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, the Company has complied with the conditions of Corporate Governance as stipulated in the listing agreement.

We state in respect of investor grievances received during the year ended 31st March, 2015, no Investor Grievances are pending against the Company as per the records maintained by the Company Registrar & Transfer Agents and SEBI SCORES and presented to the investors/shareholders grievance committee. We further state that such compliance is neither an assurance as for the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KOTA & COMPANY
Chartered Accountants
FRN 011982S

K.S.R.K. Prasad
PARTNER
Membership No.022964

Place: Hyderabad
Date: 14.08.2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Madhucon Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matter in the Notes to the accompanying financial statements for the year ended March 31, 2015:

1. Note No. 2.11(i) to the financial statements, in relation to the carrying value of investments held and unsecured loans and advances given by the Company in the subsidiaries or associates listed in that note, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management's internal assessment and initiatives to be implemented to improve the profitability in the medium to long run, the management of the Company is of the view that the carrying value of the investments and loans and advances are realisable at the value stated in the books. As per the books of accounts and according to the information and explanation given to us, the Company has granted interest free loans and advances to these companies aggregating to Rs. 19646.83 lakhs and closing balances against these loans and advances as at March 31, 2015 are aggregating to Rs.52219.43 lakhs.
2. Note No. 2.11(ii) to the financial statements, regarding the carrying value of loans and advances given by the Company to Vijayawada Machilipatnam Expressways Limited (VMEL), a step down subsidiary though the Concession Agreement of that company with National Highways Authorities of India (NHAI) was terminated by NHAI, and the auditors of VMEL expressed significant doubt on company's ability to continue as a going concern, the management is confident that the carrying value stated in the books of account is realisable for the reasons mentioned in that note. According to the books of accounts, the carrying amount of loans and advances due from VMEL as at March 31, 2015 is Rs.1224.33 lakhs.
3. Note No. 2.11(iii) to the financial statements in relation to Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the Company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh Housing Board (the Board) (now known as Telangana Housing Board) at Kukatpally in Hyderabad. The Board issued letter for revoking the power of attorney and resumption of land. The Company got a status quo order from court and the case is pending in that court. Taking in to account the management internal assessment and legal opinion obtained, management of the Company is confident in succeeding the case and carrying values of investment in and loans sanctioned to MMMPL are realisable at the values stated in the books of accounts. According to the books of accounts and as per the information and explanations given to us, during the year the Company has granted an interest free unsecured loan amounting to Rs.121.25 lakhs and the closing balance as at March 31, 2015 is Rs.3633.65 lakhs in MMMPL.
4. Note No. 2.11(iv) to the financial statements, indicates that the outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the Company's directors have significant

influence are realisable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated in that note. According to the books of accounts and as per the information and explanations given to us the closing balances of these unsecured loans and advances as at March 31, 2015 are Rs. 3899.35 lakhs Rs.438.65 lakhs respectively (including interest thereon). Both these companies have invested in the shares of Madhucon Projects Limited.

Our opinion is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2015 ('the Order') issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kota & Company
Chartered Accountants
ICAI Firm Regn. No. 011982S

K.S.R.K.Prasad
Partner
Membership No.:022964
Place : Hyderabad
Date : May 30, 2015.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:

To the Members of **Madhucon Projects Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets.

(b) All fixed assets have been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations provided to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

(c) The company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) The Company has granted unsecured loans to 4 parties covered in the register maintained under section 189 of the Act.

(a) & (b) Since the repayment schedule for such loans is not stipulated, we are unable to comment on the regularity of receipt of principal and interest as well as the adequacy of steps taken to recover the amount.
- (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 it's business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure or major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules there under are not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act, related to the construction activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, Sales tax, Wealth tax, Service tax, duty of customs, duty of excise, value added tax, cess and all other statutory dues have not been regularly deposited with the appropriate authorities and there have been significant delays in payments. According to the information and explanations given to us, undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable are as follows:

S. No.	Name of the Statute	Nature of Dues	Period	Rs. In Lacs
1	The Income Tax Act, 1961	Income Tax	2013-14 to 2014-15	371.55
2	The Income Tax Act, 1961	Dividend Tax	2011-12 to 2013-14	40.99
3	The Building and Other Construction Workers' Welfare Cess Act, 1996	Labour Cess	2011-12	343.28
4	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	2012-13 to 2014-15	217.54
5	The Finance Act, 1994	Service Tax	2013-14 to 2014-15	193.21
6	Sales Tax	Sales Tax Payable	2013-14 to 2014-15	340.17
7	Professional Tax	Professional Tax Payable	2011-12 to 2014-15	36.74

- b) According to the information and explanations given to us, there are no dues on account of any dispute payable in respect of Income tax, Wealth tax, Sales tax, duty of customs, duty of excise, value added tax and cess except the following:

S. No.	Nature of Dues	Forum	Period	Rs. In Lacs
1	Income Tax	CIT (Appeals), Hyderabad	2009-10 to 2012-13	8,701.82
2	Sales Tax	Hon'ble High Court	2001 to 2005 & 2009-10	5,795.52
3	Entry Tax	Hon'ble Supreme Court	2006-07, 2007-08, 2009-10 & 2010-11	629.11

- c) According to the information and explanations given to us, there is no delay in transfer of funds to Investor Education and Protection Fund.

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and immediately preceding financial year.
- (ix) The details of principal and interest not paid on due dates i.e. the last dates specified in loan documents to the financial institutions and banks during the year are as follows.

Delay in days	Principal Amount (Rs. Lakhs)	Interest Amount (Rs. Lakhs)
0 to 30	12833.00	2603.29
31 to 60	1963.80	1917.46
61 to 120	1175.87	1071.12
121 to 180	0.97	40.71
181 and above	848.33	-

Out of the above an amount of Rs.11297.10 lakhs towards principal amount and an amount of Rs.5298.13 lakhs towards interest amount was paid before 31st March, 2015

- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions and the terms and conditions are prima-facie not prejudicial to the interest of the company.
- (xi) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Kota & Company
Chartered Accountants
ICAI Firm Regn. No. 011982S

K.S.R.K.Prasad
Partner
Membership Number: 022964

Place : Hyderabad
Date : May 30, 2015

Madhucon Projects Limited
Balance Sheet As At 31st March, 2015

(Rs. in Lakhs)

Note	As At 31st March 2015		As At 31st March 2014	
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	2.1	740.32	740.32	
(b) Reserves and Surplus	2.2	73,731.41	69,888.83	
A		74,471.73		70,629.15
(2) Non-Current Liabilities				
(a) Long-term Borrowings	2.3	4,904.82	9,031.98	
(b) Other Long term Liabilities	2.4	96,975.55	1,13,849.88	
B		1,01,880.37		1,22,881.86
(3) Current Liabilities				
(a) Short-term Borrowings	2.5	45,415.00	42,239.15	
(b) Trade Payables	2.6	19,516.80	15,382.07	
(c) Other Current Liabilities	2.7	78,551.82	58,211.13	
(d) Short-term Provisions	2.8	18,347.59	7,704.81	
C		1,61,831.21		1,23,537.16
Total (A+B+C)		3,38,183.31		3,17,048.17
II. ASSETS				
(1) Non-current Assets				
(a) Fixed Assets				
(i) Tangible Assets	2.9	8,358.76	12,820.66	
(b) Non-Current Investments	2.10	1,55,686.40	1,37,721.40	
(c) Long term Loans and Advances	2.11	33,588.03	48,240.69	
(d) Other Non-Current Assets	2.12	36,381.85	35,661.77	
A		2,34,015.04		2,34,444.52
(2) Current Assets				
(a) Inventories	2.13	911.09	5,158.06	
(b) Trade Receivables	2.14	40,311.25	11,645.56	
(c) Cash and Bank Balances	2.15	1,481.74	1,956.78	
(d) Short-term Loans and Advances	2.16	47,846.17	26,251.01	
(e) Other Current Assets	2.17	13,618.02	37,592.24	
B		1,04,168.27		82,603.65
Total (A+B)		3,38,183.31		3,17,048.17

Significant Accounting Policies and Notes forming part of the Financial Statements **1&2**

The accompanying Notes including other Explanatory information form an Integral part of Financial Statements

As per our Report of even date attached

For Kota & Company

Chartered Accountants

For and on behalf of the Board

K.S.R.K. Prasad
Partner

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place: Hyderabad
Date: 30-05-2015

SA Mustaq
Chief General Manager

C. Bharathi
Company Secretary

Madhucon Projects Limited
Statement of Profit and Loss for the Year ended 31st March, 2015

(Rs. in Lakhs)

	Note	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue:			
I Revenue from Operations	2.18	1,13,739.38	86,531.42
II Other Income	2.19	2,756.69	3,248.22
III Total Revenue (I +II)		1,16,496.07	89,779.64
IV Expenses:			
Cost of Materials & Work Expenses	2.20	77,279.66	46,887.62
Changes in inventory	2.21	4,246.97	575.19
Employee Benefit Expenses	2.22	3,955.23	4,007.17
Finance Costs	2.23	12,785.18	12,644.26
Depreciation	2.9	3,777.85	4,701.86
Other Expenses	2.24	8,208.64	15,991.50
Total Expenses		1,10,253.53	84,807.60
V Profit before Tax (III - IV)		6,242.54	4,972.04
VI Tax Expense:			
1) Current Tax		1,308.50	1,042.17
2) Deferred Tax		-	758.19
		1,308.50	1,800.36
VII Profit/(Loss) from the period from continuing operations (V-VI)		4,934.04	3,171.68
Earning per equity share:			
Basic and Diluted		6.69	4.30

For Significant Accounting Policies see notes to accounts forming part of Financial Statements

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.022964

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place:-Hyderabad
Date: 30-05-2015

SA Mustaq
Chief General Manager

C. Bharathi
Company Secretary

Madhucon Projects Limited

Cash Flow Statement for the Year ended 31st March, 2015

		Rupees in Lakhs	
PARTICULARS		As At 31.03.2015	As At 31.03.2014
A.CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items		6,242.54	4,972.04
Adjustments for:			
Add:			
Depreciation		3,777.85	4,701.86
Interest		11,805.41	12,109.17
Less: Interest Income		1,228.36	3,003.74
Operating profit before working capital changes		20,597.45	18,779.33
Adjustments for:			
(Increase)/Decrease in stocks		4,246.97	575.19
Increase /Decrease in Trade Receivables and other advances		(12,354.04)	(12,973.17)
Increase/Decrease in Trade Payables and other Liabilities		18,243.86	2,267.42
		10,136.79	(10,130.56)
Cash Generated from operations		30,734.24	8,648.77
Direct taxes		1,308.50	1,042.17
Cash flow before extraordinary items		29,425.74	7,606.60
Extraordinary items			
Net Cash from Operating activities	(A)	29,425.74	7,606.60
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed Assets(net)		(231.69)	(201.09)
Increase in Investments		(17,965.00)	(1,972.13)
Interest Income		1,228.36	3,003.74
Net Cash used in investing activities	(B)	(16,968.33)	830.52
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(11,805.41)	(12,109.17)
Increase / Decrease in long Term Borrowings		(4,127.16)	376.40
Increase/ Decrease in Short Term Borrowings		3,175.85	3,046.31
Dividend Paid		(73.79)	(73.79)
Dividend Tax thereon		(16.16)	(11.97)
Dividend and Dividend Tax Adjustments of Previous Year		(85.77)	-
Net cash from financing activities	(C)	(12,932.44)	(8,772.23)
Net Increase in Cash and Cash equivalents		(475.04)	(335.11)
Cash and cash equivalents as at 31/03/2014 (Opening Balance)		1,956.78	2,291.89
Cash and cash equivalents as at 31/03/2015 (Closing Balance)		1,481.74	1,956.78

Note: Proceeds from Long Term and Short Term Borrowings are shown Net of Repayments

As per our Report of even date attached

For and on behalf of the Board

For Kota & Company

Chartered Accountants

K.S.R.K. Prasad

Partner

N. Seethaiah

Managing Director

DIN-00784491

Kandimalla KVN Prasad

Independent Director

DIN-00084398

Place: Hyderabad

Date: 30-05-2015

SA Mustaq

Chief General Manager

C. Bharathi

Company Secretary

Madhucon Projects Limited

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2015

Company Overview:

Madhucon Projects Ltd (MPL) or “the Company” is an integrated construction, Infrastructure development and management Company head quartered in Hyderabad, India.

The Company is surging ahead with presence in multiple sectors of construction and infrastructure projects such as Transportation, Irrigation, Water resources infrastructures, railways, Engineering ,Procurement & Construction (EPC), Turnkey projects, developments of smart cities, and properties, in India. Completing the projects with high quality workmanship and commitment to excellence made the Company a leader in the industry. The Company is best in innovation, creativity and technological mastery, delivering top-quality work, head of schedules, in all sectors.

A majority of the development projects of the Company are based on Public-Private Partnerships (PPP) and operated by separate Special Purpose Vehicles (SPV)

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of accounting and preparation of financial statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 (“Act”), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous years unless otherwise stated separately herein below.

1.2. Use of Estimates:

Management makes estimates, technical and other assumptions regarding the amounts of income and expense in accordance with Indian GAAP in the preparation of its financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

1.3. Inventories:

- a) Raw Materials ,construction materials and stores & spares are valued at weighted average cost or under Cost excludes refundable duties and taxes.
- b) Work-in-progress is valued on the basis of the actual expenditure incurred in the case of all incomplete contracts.

1.4. Fixed Assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use and other incidental expenses incurred upto that date.

1.5. Depreciation and Amortization:

Depreciation is provided for in the accounts on Straight-Line method in accordance with the Schedule II of the Companies Act, 2013, based on the useful life estimated on the technical assessment as in force and proportionate depreciation are charged for additions/deletions during the year. In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

1.6. Impairment of Assets:

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is greater than the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.7. Investments:

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any in value of such investments. Current investments are carried at lower of cost and fair value.

1.8. Employee Benefits:

Provident Fund:

Provident fund is defined Contribution scheme and contributions are charged to profit and loss account of the year when the contributions to the respective funds are due. Other retirement benefits such as Gratuity, leave encashment etc., are recognized on basis of an Actuarial Valuation.

1.9. Revenue Recognition:

(i) Accounting of Construction Contracts:

The Company follows the percentage completion method, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted in proportion to the percentage of the actual work done. Future expected loss, if any, is recognized as expenditure.

Revenue is recognized as follows:

- a) In case of Item rate contracts on the basis of physical measurement of work actually completed at the balance sheet date.
- b) In case of Lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management. 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.

ii) Accounting of Supply Contracts-Sale of goods:

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer

a) Accounting Policy for Claims:

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

b)Interest:

Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

1.10. Income Tax:

a) Current Tax:

Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act 1961

b) Deferred Taxes:

Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

1.11. Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of qualifying asset are capitalized as a part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of the time to get ready for its intended use. Other borrowing costs are charged to statement of Profit & Loss as incurred.

1.12. Accounting for Joint Venture Contracts

a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the Accounting policy followed by the Company as that of an independent contract to the extent work is executed.

b) In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit/loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities.

1.13. Foreign Currency Translation:

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing on the date of the transaction.

b) Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account. In case of fixed assets they are adjusted to the carrying cost of such assets. Foreign Currency Monetary Items are re-translated at the exchange rate prevailing on the reporting date.

- c) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those relating to liability for acquiring fixed assets from outside India which are capitalized and those arising from investments in non-integral operations.

1.14. Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

1.15. Leases:

The companies leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years, generally and are usually cancellable / revocable by mutual consent on agreed terms. The aggregate lease rent same payable are charged as rent / hire in the statement of profit and loss account.

1.16. Earnings Per Share:

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS 20), Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

1.17. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.0 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

2.1 SHARE CAPITAL

	Rupees in Lakhs			
	As at 31st March 2015	As at 31st March 2014		
a) Authorized Share Capital				
30,00,00,000 Equity Shares of Re.1/-each	3,000.00	3,000.00		
20,00,00,000 Redeemable Preference Shares of Rs.100/- each	2000.00	2,000.00		
Total	5,000.00	5,000.00		
b) Issued, Subscribed & Called up Capital:				
7,42,68,940 Equity Shares of Re. 1/- each	742.69	742.69		
c) Fully paid up Capital:				
7,37,94,940 Equity Shares of Re.1/- each	737.95	737.95		
Add: Forfeited Shares Amount originally paid up	2.37	2.37		
Total	740.32	740.32		
d) Reconciliation of the Number of Shares Outstanding				
	As at 31st March 2015		As at 31st March 2014	
Equity Shares	Number	Value	Number	Value
Shares outstanding at the beginning of the year	7,37,94,940	737.95	7,37,94,940	737.95
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the year end	7,37,94,940	737.95	7,37,94,940	737.95

Terms/ Rights attached to Shares:- The Company has only one class of paid-up equity shares having par value of Re.1/-per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays Dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

e) Shares in the company held by each shareholder holding more than 5 percent shares.

Name of the Equity Shareholder	As at 31st March 2015		As at 31st March 2014	
	Number of shares held	% of share holding	Number of shares held	% of share holding
1) Nama Nageswara Rao	1,07,32,622	14.54	1,07,32,622	14.54
2) Madhucon Granites Limited	80,44,000	10.9	80,44,000	10.90
3) Nama Chinnamma	61,58,000	8.34	61,58,000	8.34
4) Nama Seethaiah	60,01,800	8.13	60,01,800	8.13
Total	3,09,36,422	41.91	3,09,36,422	41.91

f) Bonus Shares/ Buy back shares for Consideration other than cash being received during the past five Years

- (1) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in Cash - Nil
- (2) Aggregate number and class of shares allotted as fully paid up by way of Bonus shares - Nil
- (3) Aggregate number and class of Shares bought back - Nil

2.2 RESERVES AND SURPLUS

	As at 31st March 2015		As at 31st March 2014	
(a) Securities Premium				
Opening Balance	29,313.07		29,313.07	
		29,313.07		29,313.07
(b) General Reserve				
Opening Balance	4,139.56		3,822.39	
Add: Additions during the year	493.40		317.17	
Closing Balance		4,632.96		4,139.56
(c) Surplus				
Opening Balance	36,436.20		33,667.45	
Fixed Assets Written off as per companies act 2013	(915.74)		-	
Add: Net profit/(Net Loss) for the current year	4,934.04		3,171.68	
Proposed Dividend	(147.59)		(73.79)	
Dividend Distribution Tax	(28.13)		(11.97)	
Transfer to Reserves	(493.40)		(317.17)	
Closing Balance		39,785.38		36,436.20
Total (a)+(b)+(c)		73,731.41		69,888.83

2.3 LONG TERM BORROWINGS

Rupees in Lakhs

	As at 31st March 2015		As at 31st March 2014	
	Non Current	Current Maturities	Non Current	Current Maturities
Term Loans (Secured)				
1) From Banks	-	2,612.92	2,000.00	4,455.10
2) From Financial Institutions	4904.82	11,844.57	7,031.98	1,600.35
Total	4,904.82	14,457.48	9,031.98	6,055.45

Notes for Long Term Borrowings From Banks and Financial Institutions

Term Loans from Banks:

(i) **ICICI Bank Limited**: Secured by the first *Pari-passu* charge on the current assets and second *Pari-passu* charge on movable fixed assets of the company.

(ii) **Standard Chartered Bank**: Secured by the Exclusive charge on machinery procured out of the loan amount comprising machinery.

(iii) **Axis Bank ETIOS**: Vehicle loans are secured by hypothecation of vehicles financed through the loan arrangements.

Term Loans from Financial Institutions:

(i) **Srei Equipment Finance Limited**: Secured by Subservient charge on movable fixed assets of the company worth Rs. 108 Crores.

(ii) **Magma Fincorp Limited**: Secured by hypothecation of specific assets purchased out of the loan amount.

(iii) **Mahindra & Mahindra Financial Services Limited**: Secured by hypothecation of tippers financed through the loan arrangements.

(iv) **Term Loan from Financial institution(Srei Infrastructure Finance Limited)**: No Security

Sl.No	Particulars	No. of Instalments Pending w.r.t. Balance Sheet Date	Rate of Interest	Outstanding	Repayment terms	Period of Maturity
1	ICICI Bank Limited	4	Base rate + 3.50%	2,585.12	Quarterly	Mar-16
2	Standard Chartered Bank	0	8.50% to 9.50%	26.67	Quarterly	Jun-14
3	Axis Bank ETIOS	0	10.39%	1.12	Monthly	Jan-15
4	SREI Equipment Finance Limited	34	SBR-2.97%	7,013.96	Monthly	Jan-18
5	Magma Fincorp Limited	0	11.85%	43.36	Monthly	Feb-15
6	Mahindra & Mahindra Financial Services Limited	17	11.52%	87.39	Monthly	Aug-16
7	SREI Infrastructure Finance Limited	1	SBR-5.50%	9,604.69	One time instalment	Feb-16
			TOTAL	19,362.31		

Delay in repayment of principal and interest to banks and Financial Institutions as on 31-03-2015

Name Of The Bank / Financial Institution	Principal (Rs.in Lakhs)	Period of delay	Interest (Rs.in Lakhs)	Period of delay
Indus ind Bank	19.50	0 Days	7.81	0 Days
State Bank Of India	-	0 Days	72.84	0 Days
Standard Chartered Bank (ECB)	-	0 Days	26.67	0-370 Day
Ing Vysya Bank	-	0 Days	59.81	1 Day
ICICI - CC - 1 A/C	-	0 Days	97.42	0-31 Days
ICICI - CC - 2 A/C	-	0 Days	216.39	0-31 Days
ICICI Bank - Term Loan	500.00	9 Days	85.12	0-59 Days
OBC - CC A/C	-	0 Days	59.06	0 Days
Canara Bank	5,000.00	0-19 Days	67.79	0-15 Days
United Bank of India	10.63	485 Days	-	0 Days
Axis Bank - Etios	-	0 Days	1.07	0 Days
Sub Total (i)	5,530.13		693.98	
Magma Fincorp Limited	29.24	58-120 Days	14.11	58-120 Days
Sub Total (ii)	29.24		14.11	
Total (i+ii)	5,559.37		708.09	

2.4 OTHER LONG TERM LIABILITIES

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
	1) Mobilization Advance	48,456.33
2) Material advance	10,951.38	15,327.09
3) Retention Money Deposits	12,375.62	12,335.99
4) Machinery Advance	3,667.25	3,666.35
5) Other Non Current Liabilities	10,482.76	19,207.00
6) Trade Payables - For Suppliers	9,326.64	11,619.24
7) Trade Payables - For Services	1,715.57	5,117.58
Total	96,975.55	113,849.88

2.5 SHORT TERM BORROWINGS

Particulars	Rupees in Lakhs	
	As at 31st March 2015	As at 31st March 2014
LOANS REPAYABLE ON DEMAND-SECURED FROM BANKS		
1) Loans repayable on demand from Banks - Cash Credit	45,415.00	42,239.15
Total	45,415.00	42,239.15

Note: CC Limits from Axis bank 13.25%, Bank of India 13.20%, IDBI Bank 14.75%, Kotak (ING Vysya) 14.55%, OBC 13.25%, SBI 14.85%, ICICI Bank 14.75% & 12.00%.

The company has availed the Working capital Cash credit facility from various banks under Multiple Banking Arrangement are secured by

i) *Pari-Passu First charge by way of hypothecation of the company's inventory, work-in-progress and receivables, both present and future (other than project specific) with other working capital lenders.*

ii) *Pari-Passu second charge on all the unencumbered movable fixed assets of the company, both present and future with other working capital lenders*

2.6 TRADE PAYABLES

Particulars	Rupees in Lakhs	
	As at 31st March 2015	As at 31st March 2014
1) For Supplies	3,017.33	4,265.26
2) For Services	16,499.47	11,116.81
Total	19,516.80	15,382.07

2.7 OTHER CURRENT LIABILITIES

Particulars	Rupees in Lakhs	
	As at 31st March 2015	As at 31st March 2014
a) Current maturities of long-term debt		
Secured Loans From Banks (Ref. Note No.:2.3)	2,612.92	4,455.10
b) Current maturities and finance lease obligations		
Secured Loans From Financial Institutions	11,844.57	1,600.35
C) Other payables		
1) Other Liabilities	47,349.11	26,897.34
2) Material Advance	3,154.85	9,419.00
3) Mobilization Advance	7,940.67	12,807.53
4) Royalty Payable	521.93	414.53
5) Retention Money Deposits	5,127.77	2,543.49
6) Provision for Proposed Dividend & Dividend Distribution Tax.	-	73.79
Total	78,551.82	58,211.13

2.8 SHORT-TERM PROVISIONS

Particulars	Rupees in Lakhs	
	As at 31st March 2015	As at 31st March 2014
1) Provision for Taxation	1,809.44	1,516.19
2) Provision for Dividend	73.79	-
3) Other Provisions	16,464.36	6,188.62
Total	18,347.59	7,704.81

2.9 Fixed Assets and Depreciation

												Rs. In Lakhs
Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As At 01/04/2014	Additions	Deletions	As At 31/03/2015	As At 01/04/2014	For The Year	Written off As per Co Act- 2013	Deletions	As At 31/03/2015	As At 31/03/2015	As At 31/03/2014
1	2	3	4	5	6=(3+4-5)	7	8	9	10	11= (7+8+9-10)	12=(6-11)	13
1	Land	1,280.51	19.47	-	1,299.99	-	-	-	-	-	1,299.99	1,280.51
2	Buildings	21.67	-	-	21.67	3.03	0.72	-	-	3.75	17.92	18.64
3	Plant & Machinery	32,237.97	21.66	127.42	32,132.20	26,557.78	1,979.23	531.20	97.97	28,970.24	3,161.96	6,134.19
4	Tippers & Trucks	11,823.13	138.29	382.96	11,578.45	8,406.64	1,339.08	277.31	307.83	9,715.19	1,863.26	3,829.27
5	Vehicles	1,970.18	4.53	40.29	1,934.42	1,103.67	183.93	0.62	33.94	1,254.28	680.14	529.71
6	Centering Materials	1,884.80	66.23	-	1,951.03	1,882.37	64.91	-	-	1,947.27	3.76	0.90
7	Temporary Structures	3,036.58	67.56	-	3,104.14	2,379.77	7.20	-	-	2,386.97	717.17	128.47
8	Furniture & Office Equipment	1,151.69	14.96	1.91	1,164.74	463.25	110.05	61.95	0.30	634.95	529.79	707.57
9	Computer & Software	367.27	11.53	-	378.80	156.64	92.73	44.66	-	294.02	84.78	191.40
	Total	53,773.79	344.23	552.58	53,565.44	40,953.13	3,777.85	915.74	440.04	45,206.68	8,358.76	12,820.66

2.10 NON-CURRENT INVESTMENTS

Rupees in Lakhs

	No. of Shares Held as at 31st March 2015	As at 31st March 2014	No. of Shares Held as at 31 March 2014	As at 31st March 2014
1) INVESTMENTS IN EQUITY CAPITAL				
Quoted				
Canara Bank Limited	4,100	1.44	4,100	1.44
(Shares of Rs.10/each with premium of Rs.25/each)		-		
Total		1.44		1.44
UNQUOTED -SUBSIDIARIES				
1) Madhucon Infra Limited.	1,22,20,27,045	1,22,202.70	1,22,20,27,045	1,22,202.70
2) Madurai Tuticorin Expressways Limited	8,85,61,500	8,856.15	8,85,61,500	8,856.15
3) Simhapuri Energy Limited	6,41,70,714	17,966.00	10,000	1.00
4) Nama Hotels Private Limited.	2,71,21,200	2,712.12	2,71,21,200	2,712.12
5) PT Madhucon Sriwijaya Power Shares of Indonesia Rph 9,000 each	50,00,000	2,629.50	50,00,000	2,629.50
6) PT Madhucon Indonesia 8,05,000 Ordinary Shares of Indonesia Rph 10,110	15,65,000	722.72	15,65,000	722.72
7) TN (DK) Expressways Limited	1,00,000	10.00	1,00,000	10.00
8) Trichy Thanjavur Expressways Limited	1,00,000	10.00	1,00,000	10.00
9) Madhucon Agra Jaipur Expressways Limited	1,00,000	10.00	1,00,000	10.00
10) Chhapra Hajipur Expressways Limited	1,00,000	10.00	1,00,000	10.00
11) Madhucon Energy Limited Shares of Rs.5/- each, Fully paid up	1,00,090	5.00	1,00,090	5.00
12) Madhucon Toll Highways Ltd	30,000	3.00	30,000	3.00
13) Madhucon Mega Mall Private Limited.	20,000	2.00	20,000	2.00
14) Madhucon Heights Private Limited	20,000	2.00	20,000	2.00
15) Barasat-Krishnagar Expressways Limited	14,000	1.40	14,000	1.40
16) Ranchi Expressways Limited	14,000	1.40	14,000	1.40
17) Rajauli Bakhtiyarpur Expressways Limited.	12,000	1.20	12,000	1.20
18) Vijayawada- Machilipatnam Expressways Limited	8,000	0.80	8,000	0.80
19) Agastyamuni Hydro Power Private Limited	6,000	0.60	6,000	0.60
20) Rudraprayag Hydro Power Limited	6,000	0.60	6,000	0.60
21) Tilwara Hydro Power Privated Limited	6,000	0.60	6,000	0.60
22) Madhucon Natural Resources Limited (Singapore) Shares of S\$ 1/-each	750	0.21	750	0.21
Associates:				
In Shares of Rs.10 each, fully paid up				
23) Madhucon Sugar & Power Industries Limited	48,11,500	481.15	48,11,500	481.15
24) Rajanagaram Gas Power Private Limited	4,88,080	48.81	4,88,080	48.81
25) M B N Anchored Earth Limited	40,000	4.00	40,000	4.00
26) Madhucon Properties Limited	20,000	2.00	20,000	2.00
27) Ramnagar Power Private Limited.	10,000	1.00	10,000	1.00
Total		1,55,684.96		1,37,719.96
(1) Aggregate of Investments	As at 31st March 2015		As at 31st March 2014	
	Cost	Market Value	Cost	Market Value
Quoted Investments	1.44	14.56	1.44	10.84
Unquoted Investments	1,55,684.96	-	1,37,719.96	-
Grand Total	1,55,686.40	-	1,37,721.40	-

2.11 LONG TERM LOANS AND ADVANCES

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
Loans and Advances to Related Parties		
1) Simhapuri Energy Limited	4,688.92	22,653.92
2) Ranchi Expressways Limited	5,616.00	5,616.00
3) PT Madhucon Indonesia	4,469.62	4,469.62
4) Barasat Krishnagar Expressways Limited	4,715.00	-
5) Nama Investments Limited	3,899.34	3,996.12
6) Madhucon Mega Mall Private Limited	3,633.64	3,512.40
7) Madhucon Heights Private Limited	-	2,689.02
8) Nama Hotels Private Limited	4,087.47	4,093.26
9) Vijayawada Machilipatnam Expressways Limited	1,224.33	-
10) Madurai-Tuticorin Expressways Limited	435.00	435.00
11) NNR Infra Investment Private Limited	438.65	397.11
12) Rudraprayag Hydro Power Private Limited	127.39	127.12
13) Madhucon Energy Limited	99.11	98.57
14) Madhucon Infotech Limited	57.10	60.78
15) PT Madhucon Sriwijaya Power	21.75	18.90
16) Madhucon Natural Resources Limited (Singapore)	19.12	18.03
17) Ramnagar Power Private Limited	6.35	6.03
18) African Natural Resources Limited (Mauritius)	23.67	23.67
19) Legend Natural Resources Limited (Mauritius)	20.62	20.62
20) Madhucon Oil & Gas Limited	2.73	2.73
21) Madhucon Minerals Resources Limited	2.16	1.57
22) Madhucon Toll Highways Limited	-	0.22
Total	33,588.03	48,240.69

i) Madhucon Infra Limited, Ranchi Expressways Limited, Barasat-Krishnagar Expressways Limited, Rajauli-Bhaktiyapur Expressways Limited, Trichy-Thanjavur Expressways Limited Rudraprayag Hydro Power Private Limited, Madhucon Heights Private Limited, Nama Hotels Private Limited, Madhucon Energy Limited, PT Madhucon Indonesia and Madhucon Natural Resources Limited, Subsidiaries of the Company and Ramnagar Power Private Limited, Associate of the Company have been incurring losses and net worth of these companies are fully/substantially eroded. The management is taking necessary steps/initiatives to improve the activities / business in these companies. Upon implementation of these initiatives, the management is confident of improving the profitability in these subsidiaries or associates. Management is also confident that the carrying values of investments in and unsecured interest free loans and advances to these subsidiaries or associates (which included amounts given as a sub-ordinate debt in terms of Common Loan Agreement entered with Bankers as a part of promoter's contribution from time to time to its road SPVs for their project finances) are realizable at the value stated in the books.

ii) Vijayawada Machilipatnam Expressways Limited (VMEL) a step down subsidiary of the Company entered in to concession agreement with National Highways Authority of India (NHAI) for developing a road project in Andhra Pradesh state. VMEL has received notice of termination of concession agreement from NHAI vide letter No.NHAI/BOT-I/11019/102/2007/63 dated 29th October 2013 and letter No.NHAI/BOT-I/11019/102/2007/403 dated 27th August 2014. VMEL has preferred a claim on NHAI for an amount of Rs.24454.00 lakhs towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges and consultants fee etc. on this project by VMEL and the EPC Contractor. VMEL is pursuing with NHAI for settlement of the said claim. VMEL is confident that it will receive the claim soon from NHAI. In view of the above and on the basis of legal opinion obtained, management of Company is confident that the bank guarantee invoked by the NHAI which was given by the Company on behalf of VMEL and other unsecured advances given to VMEL are realisable at the value stated in the books of accounts.

iii) The company has got allotted lease hold land to the extent of 9.04 acres at Kukatapally in SY.178&179 by Andhra Pradesh Housing Board (APHB) under development agreement dated 9.12.2005 and incorporated the following SPVs as Subsidiaries.

Name of the SPV	Facility Purpose	Area for Development In Acres
Madhucon Mega Mall Private Limited	Shopping Mall cum Multiplex	5.32
Nama Hotels Private Limited	Four Star Hotel	2.62
Madhucon Heights Private Limited	Residential/Office	0.94/0.16
	Total	9.04

Due to unavoidable circumstances, the construction of Shopping Mall cum Multiplex project could not be completed within the time by Madhucon Mega Mall Private Limited. Hence the APHB issued letter bearing No.105/Madhucon/AE/PC/2005, dated 16-12-2013 for revoking the Power of Attorney and Resumption of land to the extent of 5.32 Acres, aggrieved by the above said letter the company filed arbitration petition under sec.9 of Arbitration and conciliation Act,1996 before the XI A C J Court, CCC, Hyderabad seeking injunction against the APHB and after elaborate arguments the Hon'ble court was pleased to pass the Status quo order against the APHB and the same is pending. Further based on the internal assessment and a legal opinion, the management is confident that it will succeed the above case and the loan given to such SPV is fully realizable.

iv) Unsecured Loans and advances include amounts given to Nama Investments Limited and NNR Infra Investments Private Limited. These companies have been incurring losses and the accumulated losses exceeded the net worth of these companies. As the value of investments of these companies are more than the loans and advances due from these companies, management is confident on the realisation carrying value of the assets at the values stated in the books of accounts.

2.12 OTHER NON-CURRENT ASSETS

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
1) Earnest Money Deposits	1,349.02	1,174.77
2) Retention Money Deposits	11,190.01	10,656.52
3) Mobilization Advance	1,683.25	4,370.85
4) Other Non Current Assets	18,957.64	12,979.24
5) Trade Receivables*	3,201.93	6,480.39
Note: Trade receivables outstanding for a period more than six months unsecured and considered good*		
Total	36,381.85	35,661.77

2.13 INVENTORIES

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
1) Closing Stock	630.08	2,216.62
2) Closing Work-in-Progress	281.01	2,941.44
Total	911.09	5,158.06

2.14 TRADE RECEIVABLES

Rupees in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
a) Trade Receivables outstanding for a period less than six months Unsecured, considered good from		
- Related Parties*	35,532.91	6,602.62
- Others	4,778.34	5,042.94
Total	40,311.25	11,645.56

Name of the Related Party *	Rs. In lakhs	Rs. In lakhs
1 Simhapuri Energy Limited	19,658.33	-
2 Ranchi Expressways Limited	4,889.04	415.07
3 madhucon infra Limited	7,512.56	3,795.24
4 Madhucon Agra-Jaipur Expressways Ltd	446.42	-
5 Barasat Krishnanagar Expressways Limited	3,026.57	2,392.31
Total	35,532.91	6,602.62

2.15 CASH AND BANK BALANCES

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
I. Cash and Cash Equivalants		
a) Cash on hand	21.23	26.67
b) Balances with Banks		
1) Current Accounts	763.75	876.14
2) Balances with Banks for Unpaid Dividend	10.62	10.05
3) FDR With Banks	6.86	6.09
Total	802.46	918.95
II. Other Bank balances		
Bank Deposits with more than 12 months maturity		
Margin Money Deposits	679.28	1,037.83
Total	679.28	1,037.83
Grand Total	1,481.74	1,956.78

2.16 SHORT TERM LOANS AND ADVANCES

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
Unsecured Considered good		
1) Related Parties		
a) Madhucon Infra Limited *	37,639.70	25,864.33
b) Madhucon Heights Private Limited *	7,340.97	-
c) Nama Hotels Private Limited *	2,860.72	-
d) Vijayawada Machilipatnam Expressways Limited *	-	7.33
e) Barasat Krishnagar Expressways Limited *	-	220.00
f) Rajauli Bakhtiyarpur Expressways Limited	4.78	3.34
g) Agastyamuni Hydro Power Private Limited	-	0.26
2) Others		
a) Madhucon Land Developers Limited	-	155.75
Total	47,846.17	26,251.01

* Foot Note reference No.Schudle No. 2.11 (i) &(ii)

2.17 OTHER CURRENT ASSETS

Rupees in Lakhs

	As at 31st March 2015	As at 31st March 2014
1) Other Current Assets	5,086.22	19,278.23
2) Retention Money Deposits	2,833.24	14,149.78
3) Mobilization Advance	4,186.38	2,299.28
4) TDS Receivable	1,512.18	1,864.95
Total	13,618.02	37,592.24

2.0 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

2.18 REVENUE FROM OPERATIONS:		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
Revenue from Operations:			
a) Operating Income			
(i) Civil Engineering Projects	1,11,225.19	83,814.76	
b) Other Operating Income			
(i) Sale of Metal, Scrap & Others	2,514.19	2,716.66	
Total	1,13,739.38	86,531.42	

2.19 OTHER INCOME		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Interest Income	1,228.36	3,003.74	
(b) Other Non-operating Income	1,528.34	244.48	
Total	2,756.69	3,248.22	

2.20 A. COST OF MATERIALS		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Cement	843.29	1,212.10	
(b) Steel	1,353.45	1,249.04	
(c) Bitumen	910.56	1,386.90	
(d) General Stores	1,787.44	2,322.83	
(e) Other Materials	6,853.59	8,342.88	
Total	11,748.33	14,513.75	

B. WORK EXPENSES		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Road Work Expenses	9,561.97	6,462.46	
(b) Civil Works Expenses	29,537.87	4,662.76	
(c) Earth Work Expenses	24,059.28	13,729.33	
(d) Repairs & Maintenance	1,084.02	1,076.02	
(e) Other Works Expenses	1,288.19	6,443.30	
Total	65,531.33	32,373.87	
Total (A+B)	77,279.66	46,887.62	

2.21 CHANGES IN STOCKS & WORK IN PROGRESS		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Opening Stock	2,216.62	2,889.56	
(b) Opening Work-in-Progress	2,941.44	2,843.69	
(c) Closing Stock	(630.08)	(2,216.62)	
(d) Closing Work-in-Progress	(281.01)	(2,941.44)	
Increase/Decrease in Work-in-Progress	4,246.97	575.19	

2.22 EMPLOYEE BENEFIT EXPENSES		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Salaries & Wages and Bonus	3,891.84	3,951.88	
(b) Staff Welfare Expenses	63.39	55.29	
Total	3,955.23	4,007.17	

2.23 FINANCE COST		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
(a) Interest Expense	11,805.41	12,109.17	
(b) B.G. Commission	979.77	535.10	
Total	12,785.18	12,644.26	

2.24 OTHER EXPENSES		Rupees in Lakhs	
	Year Ended 31.03.2015	Year Ended 31.03.2014	
Other Non-operating Expenses			
(a) Travelling Expenses	163.13	313.91	
(b) Security Expenses	275.73	258.60	
(c) Consultancy	122.99	17.56	
(d) Insurance Charges	77.27	274.79	
(e) Legal Expenses	22.36	65.16	
(f) Rent	345.49	349.56	
(g) Rates & Taxes	2,132.73	3,528.94	
(h) Bad Debts Written off	4,134.31	10,708.08	
(i) Other Administrative Expenses	909.65	449.91	
AUDIT FEES:			
(a) Statutory Audit Fee	22.00	22.00	
(b) Tax Audit Fee	3.00	3.00	
Total	8,208.64	15,991.50	

OTHER NOTES ON ACCOUNTS:

2.25 Contingent Liabilities not provided for:

S.No	Particulars	(₹In Lakhs)	
		As at 31.03.2015	As at 31.03.2014
1	Bank Guarantees/Letter of Credit issued by the banks on behalf of the Company.	59,552.92	57,976.33
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	81,387.00	42,293.00
3	Disputed Sales Tax (on appeal)	5,795.52	6,424.63
4	Income Tax demand contested in appeal	8,701.82	6,621.52

2.26 The long term unquoted investments in equity shares of subsidiary companies as given hereunder and included in Note No.2.10 are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Investee Company	No of Shares pledged	
		2014-2015	2013-2014
1	Madurai Tuticorin Expressways Limited	8,85,61,500	8,34,55,500
2	Madhucon Infra Limited	56,44,77,705	43,57,00,000
3	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
4	Simhapuri Energy Limited	3,27,21,965	-

2.27 Remuneration to auditors:

S.No	Particulars	(₹ Lakhs)	
		2014-15	2013-2014
1	Statutory Audit Fee	22.00	22.00
2	Tax Audit Fee	3.00	3.00

2.28 Segmental Reporting:

The Company's operations predominantly consist of construction/project activities. Hence there are no reportable segments under Accounting Standard-17.

2.29 Joint Ventures:

The Company has interest in the following Joint Ventures:

Madhucon Sino-Hydro JV

2.30 Micro & Small Enterprises: The Management has taken steps to identify the enterprises which have provided goods & services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2015 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2015 to Micro and Small Enterprises is NIL, which the auditors have relied upon. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

2.31 In accordance with Accounting Standard 11(revised)the net exchange gain/(Loss) Credited to profit & loss account is Rs.361.94 Lakhs (previous year net exchange loss debited Rs.119.78 lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs. Nil (previous year: Rs. Nil).

2.32 Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 (wherever applicable).

	(₹In Lakhs)	
	2014-15	2013-14
Foreign Exchange Earnings & Out go :		
I. Advance against Sale of Equity Shares	3,657.65	Nil
II. Foreign Exchange Out Go :		
1. Towards Traveling	9.39	0.78
2. Towards Import of Capital Goods (CIF)	Nil	0.18
3. Towards payment to Materials	Nil	868.89
On Account of Others :		
4. for Creditors	2386.54	Nil
5. Interest	16.44	29.40
6. Loan Repayment	325.43	Nil
7. Others	3.26	27.34

2.33 Related Party Transactions:

(I) Following are the list of related parties

A. Subsidiary Company

1. Madhucon Infra Limited
2. Madurai – Tuticorin Expressways Limited
3. Madhucon Energy Limited.
4. Madhucon Mega Mall Private Limited
5. Nama Hotels Private Limited
6. Madhucon Heights Private Limited
7. Agastyamuni Hydro Power Private Limited
8. Rudraprayag Hydro Power Private Limited
9. Tilwara Hydro Power Private Limited
10. PT Madhucon Sriwijaya Power

B. Step down Subsidiaries

11. TN (DK) Expressways Limited
12. Trichy - Thanjavur Expressways Limited
13. Madhucon Agra-Jaipur Expressways Limited
14. Chhapra Hajipur Expressways Limited
15. Barasat-Krishnagar Expressways Limited
16. Ranchi Expressways Limited
17. Simhapuri Energy Limited
18. Madhucon Toll Highways Limited
19. Vijayawada-Machilipatnam Expressways Limited
20. Rajauli Bakthiyarpur Expressways Limited
21. PT Madhucon Indonesia

C. Associates

22. M.B.N. Anchored Earth Limited
23. Madhucon Properties Limited.
24. Ramnagar Power Private Limited
25. Madhucon Sugar & Power Industries Limited

D. Enterprises where Significant Influence Exists

26. Nama Investments Limited
27. Madhucon Info Tech Limited
28. Madhucon Land Developers Limited
29. Madhucon Estates Limited
30. Nama Properties Limited
31. NNR Infra Investments Private Limited
32. Rajanagaram Gas Power Private Limited
33. Madhucon Stone Crushers Private Limited
34. Madhucon Mineral Resources Limited
35. Nama Energy Private Limited
36. Umarwada Gas Power projects Limited
37. Pallakurichi Power Private Limited
38. Vamu Advisors Private Limited

E. Joint Ventures

39. Madhucon Sino-Hydro JV

F. Key Management Personnel:

40. Mr. Nama Seethaiah Managing Director
41. Mr. K. Srinivasa Rao Wholetime Director

(II) Related Party Transactions during the year ended 31March, 2015 are as follows:

Particulars of Transactions	Subsidiaries	Associates	Step Down Subsidiaries	Jointly Controlled/entities and ventures	Key Management Personnel and Relatives	(₹ In Lakhs)
						Enterprises Owned Or Significantly influenced By Key Management Personnel Or Their Relatives
Sales/Contract Receipts	7,150.00	-	80844.35	3535.45	-	-
Rent Paid	-	-	-	-	230.55	-
Remuneration	-	-	-	-	90.00	-
Investments	-	-	17,965.00	-	-	-
Sale of Investments in Subsidiaries (Advance Received)	3157.46	-	500.20	-	-	-
Corporate Guarantees	31,000.00	-	43,565.00	-	-	-
Bank Guarantees	-	-	16,050.00	-	-	-
Loans/Advances paid	18918.28	10.00	-	-	-	458.00
Loans/Advances Received	290.00	128.33	-	-	-	2166.82
Year end balances in Current Assets	62,303.66	6.35	23,690.55	2,015.71	-	4,397.69
Year end balances in Current liabilities	-	579.09	39,188.85	-	2065.84	881.23

(III) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2014-15

Particulars of Transactions	₹In Lakhs
Sales/Contract Receipts:	
Simhapuri Energy Limited	63108.28
Madhucon Infra Limited	7,150.00
Chhapra Hajipur Expressways Limited	3,478.91
Barasat Krishnanagar Express ways limited	7102.93
Ranchi Expressways Limited	6598.05
Madhucon Agra-Jaipur Expressways Ltd	566.18
Madhucon Syno Hydro JV	3535.45
Rent Paid:	
Sri. Nama Seethaiah	57.55
Remuneration:	
Sri. Nama Seethaiah	60.00
Sri. K. Srinivasa Rao	30.00
Investments:	
Simhapuri Energy Limited (Equity Shares Purchased)	17,965.00
PT Madhucon Sriwijaya Power(Equity Shares Sold)	3,157.46
PT Madhucon Indonasia (Equity Shares Sold)	500.20
Corporate Guarantees:	
Madhucon Heights Private Limited	11,000.00
Madhucon Infra Limitedmhapuri Energy Limited	20,000.00
Chhapra-Hajipur Expressways Ltd	5,000.00
Ranchi Expressways Ltd	8,500.00
Barasat Krishnagar Expressways Ltd	21,555.00
	8,510.00
Bank Guarantees:	
Barasat Krishnagar Expressways Limited	4,335.00
Rajauli - Bhaktiyarpur Expressways Limited	4,300.00
Ranchi Expressways Limited	7,395.00
Loans/Advances Paid:	
Madhucon Infra Limited	11,587.78
Madhucon Heights Pvt Limited	4,470.00
Nama Hotels Pvt Limited	2,860.50

2.34 Earnings per Share:

S.No	Particulars	As at 31.03.2015	As at 31.03.2014
A	Profit computation for basic earnings Net Profit as per Profit & Loss Account Available for equity shareholders. (Rs. Lakhs)	4,934.04	3,171.68
B	Weighted average number of equity shares For EPS computation. (Nos.) (For Basic EPS)	7,37,94,940 of Re.1/-each	7,37,94,940 of Re.1/-each
C	EPS (weighted average) (Rs)	6.69	4.29

As per our Report of even date attached

**For Kota & Company
Chartered Accountants**

For and on behalf of the Board

K.S.R.K. Prasad
Partner

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place: Hyderabad
Date:30-05-2015

SA Mustaq
Chief General Manager

C Bharathi
Company Secretary



CONSOLIDATED FINANCIAL STATEMENTS

2014-15

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Madhucon Projects Limited,(hereinafter referred to as 'the Holding Company' or 'MPL'), its subsidiaries, jointly controlled entities and associates (collectively hereinafter referred to as 'the Group') comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, its consolidated losses and its consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to the accompanying consolidated financial statements for the year ended March 31, 2015:

1. Note No. 2.37 (a) indicates that National Highways Authority of India (NHAI) has terminated the Concession Agreement of Vijayawada Machilipatnam Expressways Limited (VMEL) which is a step down subsidiary of MPL not audited by us. VMEL has preferred a claim on NHAI for an amount of Rs.244.45 crores towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges and consultant fee etc. on this project by VMEL and the EPC Contractor. VMEL is pursuing with NHAI for settlement of the said claim. VMEL is confident that it will receive the claim soon from NHAI. In view of the above and on the basis of legal opinion obtained, VMEL is confident that the expenditure incurred towards development of BOT asset is recoverable as part of the claim preferred with NHAI and accordingly treated the same as an asset instead of charging the same to the Statement of Profit and Loss.

Statutory auditors of VMEL have drawn attention in their auditor's report as an emphasis matter that the termination of the Concession Agreement by NHAI indicates the existence of a material uncertainty that may cast significant doubt about the going concern of VMEL. Having regard to the uncertainty, we are unable to comment on the final outcome of the matter and its consequential impact on the consolidated financial statements for the year ended March 31, 2015.

2. Note No. 2.37 (b) in relation to Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the Company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh Housing Board (the Board) (now known as

Telangana Housing Board) at Kukatpally in Hyderabad. The Board issued letter for revoking the power of attorney and resumption of land. The Company approached the Hon'ble XI ACJ City Civil Court which gave a status quo order and the case is pending in that court. Taking in to account the management internal assessment and legal opinion obtained, management of the Company is confident of the outcome of the matter in its favour and the carrying value of the assets are realisable at the value stated in the books of accounts. Accordingly no adjustments have been made in these Consolidated Financial Statements.

3. Note No. 2.37 (c) indicates that the outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the Company's directors have significant influence are realisable at the carrying values stated in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated in that note. According to the books of accounts and as per the information and explanations given to us the closing balances of these unsecured loans and advances as at 31st March 2015 are Rs. 3899.35lakhs Rs.438.65lakhs respectively (including interest thereon). Both these companies have invested in the shares of Madhucon Projects Limited.

Our opinion is not qualified in respect of the aforesaid matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding company, its subsidiaries, associates and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We /the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its

subsidiaries, jointly controlled entities and associates incorporated in India, none of the directors of the companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its financial position of the Group;
 - ii. The Group has made provision in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts if any.
 - iii. There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

OTHER MATTERS

1. We did not audit the financial statements and other financial information of 12 subsidiaries with total assets of 6,39,498.36 Lakhs as at March 31, 2015, total revenue (including other income) of 1,29,662.72 Lakhs, total loss of 10,576.82 Lakhs. These financial statements and other financial information for these subsidiaries have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and sub-section (11) of Section 143 of the Act, to the extent applicable, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

For Kota & Company
Chartered Accountants
ICAI Firm Regn. No. 011982S

K.S.R.K.Prasad
Partner
M.No.022964

Date : 30.05.2015
Place: Hyderabad

Annexure referred to in paragraph 1 of the section on ‘Report on Other Legal and regulatory requirements’ of our report of even date

Madhucon Projects Limited (‘Holding company’) and its subsidiaries, jointly controlled entities and associates incorporated in India and to whom the provisions of the order apply (together referred to as the covered entities’ in this report). Our reporting, hereunder, in so far as it relates to theaforesaid subsidiaries, jointly controlled entities and associates, not audited by us,is based solely on the reports of other auditors who audited the financial statements/ financial information of the subsidiaries, jointly controlled entities and associates.

- i.
 - a. In our opinion and as reported by the other auditors who audited the financial statements/ financial information of the covered entities, these entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets wherever applicable.
 - b. In our opinion and as reported by the other auditors who audited the financial statements/ financial information of the covered entities, fixed assets have been verified by management which is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- ii.
 - a. The inventories have been physically verified by the management of the covered entities during the year, wherever applicable. In our opinion and as reported by the other auditors who audited the financial statements/ financial information of the covered entities, the frequency of verification is reasonable.
 - b. Read with (ii) (a) above, the procedures of the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of covered entities and nature of their businesses.
 - c. Read with ii (a) above, the covered entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Holding Company has granted unsecured loans to 2 parties covered in the register maintained under section 189 of the Act.
 - (a) & (b) Since the repayment schedule for such loans is not stipulated, we are unable to comment on the regularity of receipt of principal and interest as well as the adequacy of steps taken to recover the amount.
- iv. In our opinion, according to the information and explanations given to us and as reported by the other auditors there are adequate internal control systems commensurate with the size of the covered entities and nature of its business, for the purchase of fixed assets & collection of Toll wherever applicable. In our opinion, and according to the information and explanations given to us and as reported by the other auditors, there is no continuing failure to correct major weaknesses in internal control system.

- v. According to the information and explanation given to us and as reported by other auditors who audited the financial statements/ financial information of certain covered entities, these certain entities have not accepted any deposits during the year in accordance with the provisions of Section 73 to 76 of the Act and the rules framed thereunder.
- vi. We/ or other auditors have broadly reviewed the books of accounts maintained by certain covered entities, to the extent applicable and relevant, pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Act and are of opinion that prima facie, the specified accounts and records have been made and maintained. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements/ financial information of certain other covered entities, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act.
- vii.
- a. According to the information and explanations given to us, and as reported by the other auditors who audited the financial statements/ financial information of certain covered entities, undisputed statutory dues including provident fund, Employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with appropriate authorities and there have been significant delays in payments.

According to the information and explanations given to us, and as reported by other auditors who audited the financial statements/ financial information of certain covered entities, there were undisputed amounts payable in respect of afore said dues which are outstanding at the year end, for a period more than six months from the date they become payable are detailed below:

Name of the entity	Name of the statute	Nature of dues	Period	Amount (in Rs. Lakhs)
Madhucon Projects Limited	The Income Tax Act, 1961	Income Tax	2013-14 to 2014-15	371.55
	The Income Tax Act, 1961	Dividend Tax	2011-12 to 2013-14	40.99
	The Building and Other Construction Workers' Welfare Cess Act, 1996	Labour Cess	2011-12	343.28
	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	2012-13 to 2014-15	217.54
	The Finance Act, 1994	Service Tax	2013-14 to	193.21

			2014-15	
	Sales Tax	Sales Tax Payable	2013-14 to 2014-15	340.17
	Professional Tax	Professional Tax Payable	2011-12 to 2014-15	36.74
BarasatKrishnanagar Expressways Limited	Building & other Construction works welfare cess	Labour welfare Cess	2013-14 to 2014-15	183.31
	Professional Tax	Professional tax Payable	2013-14 to 2014-15	0.05
Chhapra-Hajipur Expressways Limited	VAT TDS(works contract tax)	Works contract tax	2014-15	22.07
	The Building And Other Construction Workers' Welfare Cess Act, 1996	Building and other Construction workers welfare Cess	2013-14 to 2014-15	566.21
Madhucon Agra-Jaipur Expressways Limited	Building & other Construction works welfare cess	Labour welfare cess	2014-15	6.87
	VAT TDS(works contract tax)	Works contract tax	2014-15	15.56
Madurai-Tuticorin Expressways Limited	Building & other Construction works welfare cess	Labour welfare cess	2014-15	0.07
	Professional Tax	Professional Tax	2014-15	0.02
Rajauli-Bakhtiyarpur Expressways Limited	Provident Fund	Provident Fund	2013-14 to 2014-15	0.14
Ranchi Expressways Limited	Building & other Construction works welfare cess	Labour welfare cess	2013-14 to 2014-15	266.12
Madhucon Infra Limited	VAT TDS(works contract tax)	Works Contract Tax	2014-15	21.06
	Income Tax Act, 1961	Tax Deducted at Source	2014-15	84.99
	The Building And Other Construction Workers' Welfare Cess Act, 1996	Building and other Construction workers welfare cess	2013-14 to 2014-15	0.43
Nama Hotels Private Limited	Income Tax Act, 1961	Tax Deducted at Source		0.58

- b. According to the records of the covered entities and as reported by other auditors who audited financial statements/ financial information of certain covered entities, the dues outstanding on account of dispute are as follows:

Name of the entity	Name of the statute	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Madhucon Projects	Income Tax	8,701.82	AY 2009-10 to AY	CIT

Limited	Act,1961		2012-13	(Appeals), Hyderabad
	Sales Tax	5,795.52	2001 to 2005 & 2009-10	Hon'ble High Court
	Entry Tax	629.11	2006-07 , 2007-08, 2009-10 & 2010-11	Hon'ble Supreme Court
Madhucon Agra- Jaipur Expressways Limited	Income Tax Act,1961	1,49,52,600	AY:2012-13	CIT(Appeals), Hyderabad
TN(DK) Expressways Limited	Income Tax Act,1961	13,97,353	AY:2008-09	CIT(Appeals), Hyderabad

- c. According to the information and explanation given to us and as reported by other auditors who audited the financial statements/ financial information of certain covered entities, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the covered entities in accordance with the relevant provisions of the companies Act, 1956(1 of 1956) and rules made thereunder.
- viii. The consolidated accumulated losses of the Group are in excess of fifty percent of the consolidated net worth and certain covered entities have incurred cash losses during the financial year and in the immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by the management and reported by the other auditors who audited the financial statements/ financial information of certain covered entities, there have been defaults in repayment of dues to financial institutions, banks and debenture holders during the year, as follows:

Name of the Entity	Particulars	Amount	Period of Default
Madhucon Projects Limited	Interest	5632.58	1 – 180 days
	Principal	16821.97	1 – 364 days
Madhucon Infra Limited	Interest	1531.76	1 – 151 days
	Principal	5632.83	1 – 111 days
Simhapuri Energy Limited	Interest	31204.09	1 – 180 days
	Principal	9342.18	1 – 120 days
Barasat-Krishnanagar Expressways Limited	Interest	4341.28	1 – 85 days
Chhapra-Hajipur Expressways Limited	Interest	1277.90	1-59 days
Madhucon Agra-Jaipur Expressways Limited	Principal	1150.00	1 – 45 days
	Interest	2805.67	1 – 60 days

Madurai-Tuticorin Expressways Limited	Principal	155.60	1 – 85 days
	Interest	6789.34	1 – 85 days
Ranchi Expressways Limited	Interest	6022.90	1 – 85 days
TN(DK) Expressways Limited	Interest	128.05	1-45 days
	Principal	1.75	1- 60 days
Trichy-Thanjavur Expressways Limited	Principal	187.75	1 – 70 days
	Interest	2714.05	1 – 70 days
Nama Hotels Private Limited	Principal	632.14	1 – 120 days
	Interest	9.85	1 – 60 days

- x. According to the information and explanations given to us and based on the reports of the other auditors who audited the financial statements/ financial information of other covered entities, certain covered entities have given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of such covered entities.
- xi. Based on the information and explanations given to us by the management and the reports of the other auditors who audited the financial statements/ financial information of other covered entities, to the extent applicable, term loans were applied for the purpose for which loans were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of certain covered entities, which we relied upon, we report that no fraud on or by the covered entities have been noticed or reported during the year.

For Kota & Company
Chartered Accountants
ICAI Firm Regn. No. 011982S

K.S.R.K.Prasad
Partner
M.No.022964

Date : 30.05.2015
Place: Hyderabad

MADHUCON PROJECTS LIMITED
Consolidated Balance Sheet As At 31st March, 2015

(Rs. in Lakhs)

	Note	As at March 31, 2015	As at March 31, 2014	
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2.1	740.32	740.32	
(b) Reserves and Surplus	2.2	(32,236.70)	(30,148.54)	
		(31,496.38)	(29,408.22)	
(2) Minority Interest				
		18,393.55	16,293.73	
(3) Non-Current liabilities				
(a) Long term Borrowings	2.3	510,334.69	499,013.49	
(b) Deferred Tax Liabilities(Net)	2.4	2,138.34	-	
(c) Other Long term liabilities	2.5	46,422.66	61,563.87	
(d) Long term Provisions	2.6	12,769.60	4,096.05	
		571,665.29	564,673.41	
(4) Current Liabilities				
(a) Short term Borrowings	2.7	66,533.81	46,943.50	
(b) Trade Payables	2.8	28,468.67	25,723.23	
(c) Other Current liabilities	2.9	129,861.28	86,804.10	
(d) Short-term Provisions	2.10	37,109.09	23,682.10	
		261,972.85	183,152.93	
Total Liabilities		820,535.31	734,711.85	
II ASSETS				
(1) Non-current Assets				
(a) Fixed Assets	2.11			
(i) Tangible Assets		374,764.98	240,231.22	
(ii) Intangible Assets		182,774.14	173,152.75	
(iii) Capital Work-in-Progress		17,689.96	195,464.50	
(iv) Intangible Assets under Development		144,619.15	1,996.07	
		719,848.22	610,844.54	
(b) Non Current Investments	2.12	1,221.55	538.60	
(c) Long term Loans and Advances	2.13	11,732.49	5,719.87	
(d) Other Non-Current Assets	2.14	29,514.95	29,014.74	
		42,468.99	35,273.21	
(2) Current Assets				
(a) Current Investments	2.15	48.06	38.98	
(b) Inventories	2.16	12,461.19	12,066.79	
(c) Trade Receivables	2.17	14,664.55	17,424.30	
(d) Cash and Bank Balances	2.18	8,084.03	11,301.44	
(e) Short-term Loans and Advances	2.19	4,812.69	155.75	
(f) Other Current Assets	2.20	18,147.58	47,606.84	
		58,218.10	88,594.10	
Total Assets		820,535.31	734,711.85	

Significant Accounting Policies and Notes forming part of the Financial Statements

1&2

As per our Report of even date attached
For Kota & Company
Chartered Accountants

For and on behalf of the Board

K.S.R.K. PRASAD
Partner

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place : Hyderabad
Date : 30.05.2015

SA Mustaq
Chief General Manager

C. Bharathi
Company Secretary

MADHUCON PROJECTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(Rs. in Lakhs)

	Note	Year ended 31 March 2015	Year ended 31 March 2014	
REVENUE				
Revenue from Operations	2.21	203,805.99	161,805.68	
Other Income	2.22	3,804.89	1,814.41	
Total Revenue		207,610.88		163,620.09
EXPENSES				
Cost of Materials & Work Expenses	2.23	108,192.83	93,665.87	
Change in Stock & Work-In-Progress	2.24	2,778.88	580.72	
Employee Benefits Expense	2.25	3,939.38	4,321.19	
Finance Costs	2.26	51,534.63	42,621.99	
Depreciation and Amortization Expense	2.11	19,843.05	14,251.19	
Other Expenses	2.27	23,430.82	27,453.85	
Total Expenses		209,719.59		182,894.81
Profit Before Prior Period ,Exceptional Items and Tax		(2,108.71)		(19,274.72)
Prior Period Items		-		(198.50)
Exceptional Items		10,914.95		-
Profit Before Tax		8,806.25		(19,473.22)
Less: Tax expenses:				
(1) Current Tax		6,099.34	2,570.24	
(2) Deferred Tax		2,138.34	(66.23)	2,504.01
Profit/(Loss) After Tax Before Minority Interest		568.57		(21,977.23)
Share of Loss Transferred to Minority Interest		(960.46)		(827.38)
Profit/(Loss) After Tax, After Minority Interest		(391.89)		(22,804.61)
Share of Profit/(Loss) from Associated Companies		37.67		424.60
Consolidated Profit /(Loss) for the Year		(354.22)		(22,380.01)
Earnings Per Share of Face Value of Rs. 1/-each Basic and Diluted		(0.48)		(30.33)

Significant Accounting Policies and Notes on Accounts 1&2

Accompanying notes form an integral part of the financial statements

As per our Report of even date attached

For Kota & Company

Chartered Accountants

For and on behalf of the Board

K.S.R.K. PRASAD

Partner

N. Seethaiah

Managing Director

DIN-00784491

Kandimalla KVN Prasad

Independent Director

DIN-00084398

Place : Hyderabad

Date : 30.05.2015

SA Mustaq

Chief General Manager

C. Bharathi

Company Secretary

MADHUCON PROJECTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Rs. Lakhs	
	Year Ended 31 March 2015	Year Ended 31 March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	8,806.25	(19,473.23)
Add:		
Depreciation	19,843.05	14,251.19
Interest	50,321.69	42,077.53
Less:		
Interest Income	1,505.99	709.13
Profit on sale of Vehicles	-	-
Operating profit before working capital changes	77,465.00	36,146.35
Adjustments for:		
(Increase)/Decrease in stocks	(394.40)	(6,095.69)
(Increase) /Decrease in Trade Receivables and Other Advances	(7,909.81)	15,079.91
Increase/Decrease in Trade Payables and other Liabilities	58,861.30	(5,161.86)
Cash generated from operations	128,022.09	39,968.71
Direct Taxes	6,099.34	2,570.24
Net Cash from Operating Activities	121,922.74	37,398.48
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets(net)	(137,427.10)	(122,899.25)
Increase/decrease other assets	28,959.06	67,709.12
(Increase)/Decrease in Investments	(692.03)	1,065.18
Interest Income	1,505.99	709.13
Net Cash used in Investing Activities	(B) (107,654.08)	(53,415.82)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(50,321.69)	(42,077.53)
Increase/Decrease in Long and Short Term Borrowing	30,911.50	63,697.61
(Increase)/Decrease in Capital	2,099.82	1,072.22
Dividend Paid	(147.59)	(73.79)
Dividend Tax thereon	(28.13)	(11.97)
Net cash from Financing Activities	(C) (17,486.09)	22,606.54
Net Increase in Cash and Cash equivalents	(3,217.41)	6,589.19
Cash and cash equivalents as at 01/04/2014 (Opening Balance)	11,301.44	4,712.25
Cash and cash equivalents as at 31/03/2015 (Closing Balance)	8,084.03	11,301.44

As per our Report of even date attached
For Kota & Company
Chartered Accountants

For and on behalf of the Board

K.S.R.K.Prasad
Partner

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place: Hyderabad
Date: 30.05.2015

SA Mustaq
Chief General Manager

C. Bharathi
Company Secretary

Significant Accounting Policies and Notes on Accounts forming part of the Accounts as at 31st March, 2015

I SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation:

The consolidated financial statements relate to **Madhucon Projects Limited** ("the Company"), its subsidiary companies and jointly controlled entities ("the group"). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and unrealized profits or losses on intra group transactions as per Accounting Standard (AS) 21-"Consolidated Financial Statements" notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.
- b) Interest in jointly controlled entities have been consolidated by using the 'Proportionate Consolidation' method as per Accounting Standard (AS) 27 - 'Financial Reporting of Interest in Joint Ventures' notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.
- c) In case of Associates where the Company directly or indirectly through its subsidiaries hold more than 20% equity, Investments in associates are accounted under the equity method as per the Accounting Standard (AS) 23-"Accounting for Investments in Associates in Consolidated Financial Statements" notified by the 2014.
- d) The Financial Statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the company i.e., March 31,2015 except one subsidiary company, as the difference in reporting date is less than 6 months, adjustments were made for the effects of significant transactions or other events that occur between the Balance Sheet date of that subsidiary and the date of the Parents Financial Statements.
- e) The excess of cost to the Company, of its investment in subsidiaries and the jointly controlled entities over the Company's share of equity is recognized in the financial statements as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated Balance Sheet separately from current liabilities and equity of the Company.

Minority interest in the net assets of consolidated subsidiaries consists of:

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) The minorities share movements in the equity since the date the parent subsidiary relationship came into existence.
 - h) Minority interest in the profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
 - i) Intra-group balances and intra group transactions and resulting unrealized profits/loss has been eliminated.
 - j) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year.
 - k) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for the like transactions and the other events similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
2. Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard (AS) 13- 'Accounting for Investments" notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.

3. Other Significant Accounting Policies

- a) The consolidated Accounts have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- b) Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

c) Inventories:

- i. The stock of stores and embedded goods and fuel is valued at cost (weighted average basis) or net realizable value whichever is lower.
- ii. Work-in-progress is valued on the basis of the actual expenditure incurred in the case of all incomplete contracts.

d) Fixed Assets:

(i) Tangible Assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes purchase price, nonrefundable taxes, duties, freight and other incidental expenses related to the acquisition or installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

(ii) Intangible Assets

- a) Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" specified in the Companies (Accounting Standards) Rule, 2006.
- b) Carriageways representing Toll Collection Rights that are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build Operate and Transfer (BOT) basis. The construction cost and other operating cost incurred during the construction phase are recognized as Intangible Asset Under Development. Upon completion of the project under development, the cumulative cost of the Intangible Assets under development is capitalized as carriageway representing toll collection right under Intangible Assets.

e) Depreciation:

Depreciation is provided for in the accounts on Straight-Line method in accordance with the Schedule II of the Companies Act, 2013 or based on the useful life estimated on the technical assessment as in force and proportionate depreciation are charged for additions/deletions during the year. In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion.

f) Impairment of Assets:

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

g) Investments:

Long term investments are carried at cost. However, wherever necessary provision for diminution in value of investment is made to recognize in decline other than temporary in the value of the investments.

h) Retirement Benefits:

(i) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

(ii) Other retirement benefits such as Gratuity, Leave Encashment, etc. are recognized on Actuarial Valuation basis.

i) Revenue Recognition:

(i) Interest:

Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

(ii) Contract Income:

Revenue from Construction Contracts are recognized by reference to the Percentage of Completion of the Contract Activity. The Stage of completion is determined by survey of Work performed and/or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the Contractee. Future expected loss, if any, is recognized as expenditure.

Contract revenue for the work done is taken on actual billing basis. The work completed, which was not billed, is treated as Work-in-Progress and is valued on the basis of actual expenditure incurred as per the books of Account. In respect of escalation and other claims, revenue is recognized on receipt basis.

(iii) Other Income:

(a) Fee collections from users of facilities are accounted as far as and when the amount is due and recovery of which is certain. Revenue from sale of smart cards is accounted as far as and when smart cards are sold.

(b) Other revenues are recognized as per AS-9 when there is no significant uncertainty as to the measurability/collectivity exists.

j) Income Tax:

Tax expense comprises both current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and

accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

k) Grants

Equity support received from National Highway Authority of India for meeting capital cost of the project is treated as Capital Reserve.

l) Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of qualifying asset are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of the time to get ready for its intended use.

j) Foreign Currency Translation:

(i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction. Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account except in cases. Where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

(ii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those relating to liability for acquiring fixed assets from outside India which are capitalized and those arising from investments in non-integral operations.

k) Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized 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 obligation can be reliably estimated.

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 unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each Balance sheet date.

2.0 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Share Capital

(Rupees in Lakhs)

	As at 31 March 2015	As at 31 March 2014
a) Authorized Share Capital		
30,00,00,000 Equity Shares of Re.1/- each	3,000.00	3,000.00
20,00,000 Redeemable Preference Shares of Rs.100/- each	2,000.00	2,000.00
Total	5,000.00	5,000.00
b) Issued, Subscribed & Called up Capital:		
7,42,68,940 Equity Shares of Re.1/- each	742.69	742.69
c) Fully Paid up Capital		
7,37,94,940 Equity shares of Re.1/- each	737.95	737.95
Add: Forfeited Shares Amount originally paid up	2.37	2.37
Total	740.32	740.32

Terms/ Rights attached to Shares:- The Company has only one class of paid-up equity share having par value of Re.1/- per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays Dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

d) Shares in the company held by each shareholder holding more than 5 percent shares.

Name of the Equity Shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	Percentage of share holding	Number of shares held	Percentage of share holding
1) Nama Nageswara Rao	10,732,622	14.54	10,732,622	14.54
2) Madhucon Granites Limited	8,044,000	10.90	8,044,000	10.90
3) Nama Seethaiah	6,001,800	8.13	6,001,800	8.13
4) Nama Chinnamma	6,158,000	8.34	6,158,000	8.34
Total	30,936,422	41.91	30,936,422	41.91

2.2 Reserves and Surplus

	As at 31 March 2015		As at 31 March 2014	
(a) Securities Premium Account		29,313.07		29,301.03
(b) General Reserve				
Opening Balance	4,139.56		3,822.39	
(+) Additions during the year	493.40		317.17	
Closing Balance		4,632.97		4,139.56
(c) Surplus				
Opening Balance	(72,832.84)		(50,877.56)	
Net profit for the current year	(354.22)		(22,380.02)	
Fixed Assets Written off as per companies act 2013	(898.30)		-	
Proposed Dividends	(147.59)		(73.79)	
Dividend Distribution Tax	(28.13)		(11.97)	
Transfer to reserve	(493.40)		(317.17)	
Foreign Currency Translation Reserve	(174.81)		827.67	
Closing Balance		(74,929.30)		(72,832.84)
(d) Reserves on Consolidation				
Capital Reserves		8746.56		9243.71
Grand Total		(32,236.70)		(30,148.54)

2.3 Long Term Borrowings

	As at 31 March 2015	As at 31 March 2014
(a) Unsecured Debenture	13,750.00	19,250.00
(b) Term Loans - Secured from Banks	449,134.17	423,264.45
- Unsecured Others	47,450.52	56,499.04
Total	510,334.69	499,013.49

Notes for Long Term Borrowings From Banks and Financial Institutions

Madhucon Projects Lta - Term Loans from Banks:

(i) **ICICI Bank Limited:** Secured by the first *Pari-passu* charge on the current assets and second *Pari-passu* charge on movable fixed assets of the company.

(ii) **Standard Chartered Bank:** Secured by the Exclusive charge on machinery procured out of the loan amount comprising machinery.

(iii) **Axis Bank ETIOS:** Vehicle loans are secured by hypothecation of vehicles financed through the loan arrangements.

No of Installments Pending w.r.t. Balance sheet date	Rate of Interest	Oustanding	Repayment terms	Period of Maturity	
ICICI Bank Limited	4	Base rate + 3.50%	2,585.12	Quarterly	Mar-16
Standard Chartered Bank	0	8.50% to 9.50%	26.67	Quarterly	Jun-14
Axis Bank ETIOS	0	10.39%	1.12	Monthly	Jan-15
SREI Equipment Finance Limited	34	SBR-2.97%	7,013.96	Monthly	Jan-18
Magma Fincorp Limited	0	11.85%	43.36	Monthly	Feb-15
Mahindra & Mahindra Financial Services Limited	17	11.52%	87.39	Monthly	Aug-16
SREI Infrastructure Finance Limited	0	SBR-5.50%	9,604.69	One time instalment	Feb-16
		TOTAL	19,362.31		

Delay in repayment of principal and interest to banks and Financial Institutions as on 31-03-2015

Name Of The Bank / Financial Institution	Principal (Rs.in Lakhs)	Period of delay	Interest (Rs.in Lakhs)	Period of delay
Indus ind Bank	19.50	0 Days	7.81	0 Days
State Bank Of India	-	0 Days	72.84	0 Days
Standard Chartered Bank (ECB)	-	0 Days	26.67	0-365 Day
Ing Vysya Bank	-	0 Days	57.88	1 Day
ICICI - CC - 1 A/C	-	0 Days	97.42	0-31 Days
ICICI - CC - 2 A/C	-	0 Days	216.39	0-31 Days
ICICI Bank - Term Loan	500.00	9 Days	85.12	0-59 Days
OBC - CC A/C	-	0 Days	57.45	0 Days
Canara Bank	5,000.00	0-19 Days	67.79	0-15 Days
United Bank of India	10.63	485 Days	-	0 Days
Axis Bank - Etios	-	0 Days	1.07	0 Days
Sub Total (i)	5,530.13		690.44	
Magma Fincorp Limited	29.24	58-120 Days	14.11	58-120 Days
Sub Total (ii)	29.24		14.11	
Total (i+ii)	5,559.37		704.55	

Madhucon Infra Ltd - Term Loan from:

i) Term loan ICICI Bank Ltd of Rs 150 Cr should be paid in equal six half Yearly installment, which had commenced on 3rd March 2013. An installment of Rs.250,000,000 due on 3rd March 2015 has not yet been paid by the Company, resulting in default as on 31st March 2015. Further, as on 31st March 2015, there was default in payment of interest amounting to Rs.17,741,631.

Simhapuri Energy Ltd - Phase I - Terms of Repayment

a. Repayable in 48 structured quarterly instalments to banks and 43 quarterly installments to LIC. Balance installments are 36.

b. Interest on Term loans is on floating basis i.e. Base rate of Canara bank (Leader Bank) + 2.25% p.a.

c. Prevailing Interest is as on 31.03.2015 is 12.45% p.a.

d. The last installment date is 6th February, 2024.

Repayment schedule for the year 2015-16

Rs.in Crores

BANKS	ALB	AB	CB	CBI	CORP	IB	IOB	OBC	PSB	SBI	SBOP	TMB	UCO	UBI	VB	LIC
EMI-Qtly.	1.49	1.49	4.38	1.49	0.74	0.74	0.74	1.49	1.49	2.94	0.74	0.60	0.74	1.49	0.74	2.67

Amount Repayable for the year 2015-16 - ` 95,88,40,000/-

Interest & Principal amounts delays during the period from April'2014 to March'2015

Name of the Bank / Financial Institution	Principal (Rs. in Crores)	Days of default as at 31.03.2015	Interest (Rs. in Crores)	Days of default as at 31.03.2015
Phase - I - Term Loans				
ALLAHABAD BANK	1.37	73 Days	0.56	57 Days
ALLAHABAD BANK			0.63	64 Days
ANDHRA BANK	1.37	73 Days	0.56	57 Days
ANDHRA BANK			0.63	64 Days
CANARA BANK	4.02	63 Days	1.76	57 Days
CENTRAL BANK OF INDIA	1.37	73 Days	0.61	57 Days
CORPORATION BANK	0.68	73 Days	0.28	57 Days
CORPORATION BANK			0.31	64 Days
INDIAN BANK	0.69	73 Days	0.33	36 Days
INDIAN OVERSEAS BANK	0.68	73 Days	0.33	57 Days
INDIAN OVERSEAS BANK			0.31	71 Days
LIC of INDIA	2.46	71 Days	1.07	57 Days
OREINTAL BANK OF COMMERCE	1.37	73 Days	0.56	57 Days
PUNJAB AND SIND BANK	1.37	74 Days	0.56	57 Days
PUNJAB AND SIND BANK			0.63	64 Days
STATE BANK OF INDIA	2.70	66 Days	1.10	57 Days
STATE BANK OF PATIALA	0.68	73 Days	0.29	57 Days
STATE BANK OF PATIALA			0.33	64 Days
TAMILANAD MERCANTILE BANK	0.55	73 Days	0.22	57 Days
UCO BANK	0.68	73 Days	0.29	57 Days
UNITED BANK OF INDIA	1.37	74 Days	0.58	57 Days
UNITED BANK OF INDIA			0.63	64 Days
VIJAYA BANK	0.68	73 Days	0.28	57 Days
Sub Total (A)	22.01		12.82	

Phase - I Terms of Security: a) A first mortgage and charge on pari pasu basis on all the company's immovable properties, both present and future:

b) A First charge by way of hypothecation on pari pasu basis of all the Company's tangible movable assets, including movable plant and machinery, machinery spares,

c) A first charge on company's receivables, bank accounts, intangible assets on pari pasu basis and,

d) A first charge by way of assignment or otherwise creation of security interest on pari pasu basis In :

i. all the rights, title interest, benefits, claims and demands whatsoever of the Company in the Project Document.

ii. Under all the Government approvals;

iii. All the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee etc

iv. All insurance contracts

e) Pledge of equity shares held by the Promoters in their Shareholding Proportion aggregating to 51% of paid up and voting share Capital of the Company

f) A first charge on Borrower's all bank accounts including without limitation, the Trust & Retention account and Debt Service Reserve Account to be established by the

Phase II - Terms of Repayment

- a. Repayable in 45 structured quarterly instalments to banks. Balance installments are 44.
 b. Interest on Term loans is on floating basis i.e. Base rate of State Bank of India (Leader Bank) + 3.50% p.a.
 c. Prevailing Interest is as on 31.03.2015 is 13.50% p.a.

Repayment schedule for the year 2015-16**Rs.in Crores**

BANKS	AB	ALB	BOI	CB	OBC	PSB	PNB	SBBJ	SBI	SBP	TMB	UBI	VB
EMI-Qtly.	1.56	1.56	1.56	1.72	1.56	1.56	1.56	1.48	5.46	1.48	0.77	3.12	0.69

Amount Repayable for the year 2015-16 - ` 96,32,00,000/-

Interest & Principal amounts delays during the period from April'2014 to March'2015

Name of the Bank / Financial Institution	Interest (Rs. in Crores)	Days of default as at 31.03.2015
Phase-II - Term Loans		
ALLAHABAD BANK	0.84	66 Days
ANDHRA BANK	0.82	55 Days
Bank of India	0.86	53 Days
CANARA BANK	0.90	66 Days
ORIENTAL BANK OF COMMERCE	0.84	66 Days
PUNJAB AND SIND BANK	0.83	66 Days
Punjab National Bank	0.83	66 Days
State Bank of Bikaner & Jaipur	0.80	66 Days
STATE BANK OF INDIA	2.85	55 Days
STATE BANK OF PATIALA	0.79	66 Days
STATE BANK OF PATIALA	0.88	60 Days
TAMILANAD MERCANTILE BANK	0.41	57 Days
Union Bank of India	1.78	70 Days
VIJAYA BANK	0.35	66 Days
Sub Total (B)	13.78	

Repayment schedule for additional term-loan the year 2015-16**Rs.in Crores**

BANKS	ALB	BOI	CB	PNB	SBBJ	SBI	SBP	TMB	UBI	VB	ICICI
EMI-Qtly.	0.19	0.19	0.20	0.19	0.18	0.68	0.18	0.10	0.38	0.08	0.57

- a. Repayable in 45 structured quarterly instalments to banks. Balance installments are 44.
 b. Amount Repayable for the year 2015-16 - ` 11,84,00,000/-

Interest & Principal amounts delays during the period from April'2014 to March'2015

Name of the Bank / Financial Institution	Interest (Rs. in Crores)	Days of default as at 31.03.2015
Phase-II - Term Loans		
ALLAHABAD BANK	0.10	88 Days
Bank of India	0.11	81 Days
Punjab National Bank	0.10	88 Days
State Bank of Bikaner & Jaipur	0.10	88 Days
STATE BANK OF INDIA	0.36	83 Days
STATE BANK OF PATIALA	0.10	88 Days
TAMILANAD MERCANTILE BANK	0.05	85 Days
VIJAYA BANK	0.04	88 Days
Sub Total (C)	0.97	

Phase II - Terms of Security :

- a) A mortgage and first charge over all the project assets (pertaining to Phase -II) (Including Phase - II land of 27.50 acres and additional land of 51.60 acres.
 b) A mortgage and first charge overall all the assets (including land) common to both Phase I & II both present and future. The Land where common facilities, for Phase I & II, would come up would be 425 acres.
 c) A first charge on all intangible assets of Phase - II of the Borrower including but not limited to the goodwill, undertaking and uncalled capital of the Borrower for Phase II.
 d) A first charge/assignment of all the receivables/revenues of the Borrower from the project i.e, Phase - II.
 e) A first charge on Borrower's all bank accounts (relating to Phase - II) including without limitation, the Trust & Retention Account and Debt Service Reserve Account to be established by the Borrower and each of the accounts required to be established by the borrower under any Project Document and Contract.
 f) A first charge/assignment of insurance policies in respect of Phase - II.
 g) A first pari passu charge/assignment/security interest in favor of Lenders on the borrower's rights under the project documents, contractors(including guarantees) and all licences, permits, approvals, consents and insurances policies obtained by the borrower in respect of the project i.e, Phase - II.
 h) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter - party under any Project Agreement or contract in favor of the Borrower for Phase - II.
 i) Pledge of paid up equity shares aggregating to 51% of Paid-up and voting equity share capital of the Borrower belonging to / held by the promoters (On pari-passu basis with all lenders of SEL), and
 j) The entire primary and collateral security/guarantees/undertakings would be on pari-passu basis with other term lenders for the proposed project (Phase-II) except the land and assets which are common to both Phase-I & II, which would be on pari passu basis amongst the lenders of both Phase I & II.

ICICI Bank Term Loan (75Cr) :**Terms of Security - Phase II :**

The facility, interest thereon and all other amounts in respect thereof shall be secured by

a) A Subservient Charge on all movable Fixed Assets & Current Assets

Terms of Repayment :

Repayable in 40 Quarterly instalments. The interest will be paid out of project cash flows on monthly basis. The applicable Rate is 13.25% p.a. The Repayment shall be started from 4th Quarter of 2016-17 as per the List mentioned in Sanction Letter.

SREI Equipment Finance Pvt. Ltd. - 1 - Terms of Repayment :

a) Rate of Interest : 15%

b) Repayable in 45 equal monthly installments starting from February, 2014

SREI Equipment Finance Pvt. Ltd. - 1 - Terms of Security : a) Extension of existing collateral security of 7 Acres 79 Cents by M/s.Madhucon Projects Limited & Sri.Nama Seethaiah (Director), Viz, of land situated in Chinna Avutapalli Village, Gannavaram Mandal, Vijayawada, Krishna District.

Name of the Bank / Financial Institution	Principal (Rs. in Crores)	Days of default as at 31.03.2015	Interest (Rs. in Crores)	Days of default as at 31.03.2015
SREI Equipment Finance	1.01	9 Days	0.49	9 Days
Sub Total (A)	1.01		0.49	

SREI Equipment Finance Pvt. Ltd. - 2 - Terms of Repayment :

a) Rate of Interest : 11%

b) Repayable in 43 equal monthly installments starting from April, 2015

Chappra-Hajipur Expressways Ltd - Terms of Repayment of secured term loans:

Allahabad Bank, Punjab & Sind Bank, State Bank Of Bikaner and Jaipur, Indusind Bank, Andhra Bank and State Bank Of India: Indian Rupee Term Loan consists of Loans borrowed from a consortium of six banks with interest rate of 13.75% as on 31st March, 2015. During the year the rate of interest has been charged ranging from 12.50% to 13.75%. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 19 semiannual unequal installments along with the interest starting from March, 2015. The first repayment of loan Installment, as per common loan agreement, falls due on March 31, 2015. Non-availability of materials and delay in handing over of right of way by NHAI resulted in delay in implementation of the project. As a consequence, scheduled commercial operation date, which was, as per common loan agreement, originally fixed at May 31, 2013, extends to 31/03/2016. Due to above delays, the Company could not draw entire loan amount till financial year 2014-15. The Company has submitted a proposal for postponement of COD to 31/03/2016 and postponement of repayment schedule with 1st installment payable in December, 2016 and the last installment payable in June, 2028. The proposal is under active consideration of lead bank and other consortium banks. The Company will draw the undrawn debt during the financial year 2015-16. Hence, the entire borrowings from secured lenders have been classified under 'Non-Current Liabilities'.

Terms of Security of secured term loans

- (i) A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.
- (ii) A first mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.
- (iii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.
- (iv) First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract
- (v) A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or/any of its contractors favoring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.
- (vi) Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently, 34,807,500 (54.23%) equity shares held by Madhucon Infra Limited are pledged with the lenders.
- (vii) A charge on the uncalled capital of the borrower, provided that such charge, shall be limited for ensuring that the Borrower calls the balance uncalled capital and makes the shares fully paid up.

Barasat-Krishnanagar Expressways Ltd: Term Loans From SBH, Dena Bank, Andhra Bank, OBC, TMP, SBOP, SBBJ and IIFCL:

Terms of Repayment of Secured Loans: Indian Rupees Term Loans consists of Loans borrowed from a consortium of seven banks and one financial institution with interest rate of 11.75% (Oriental Bank of Commerce Base rate + 1.50%) as on 31st March, 2015. During the year the rate of interest has been charged between 11.75% to 11.90%. Rate of interest shall be floating rate equivalent to base rate of OBC plus interest spread of 1.5% (the interest for SBBJ is SBBJ Base rate + 2% and for SBH it is SBI Base rate + 2.25%) upto the first Interest Reset date. From the first and subsequent Interest Reset date, rate of interest shall be subject to reset on every Interest Reset Date to Base Rate of OBC plus such interest spread as may be determined by the bankers on an Interest reset date and unless the Interest spread is so reset on the interest Reset Date, the interest spread shall be the same as applicable prior to that Interest Reset Date. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 23 semi-annual unequal installments along with the interest starting from March, 2015. However, the company has submitted a proposal for postponement of COD to June 1, 2016 with NHAI and postponement of repayment schedule with 1st installment payable in December, 2016 and the last installment payable in June, 2027 with lead bank and other consortium banks. The proposal is under consideration with lead bank and other consortium banks.

- Terms of Security:**
- (i) A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.
 - (ii) A first mortgage/charge over the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.
 - (iii) First charge or assignment of all the receivables/revenues of the borrower from the project.
 - (iv) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.
 - (v) First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract
 - (vi) A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contractors All Risk Insurance policies obtained/procured by the Company, and/or/any of its contractors favouring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.
 - (vii) Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently, 2,21,34,000 equity shares held by Madhucon Toll Highways Limited are pledged with the lenders.

i) The first repayment of loan Installment, as per common loan agreement, falls due on March 31, 2015. But delay in handing over of right of way by NHAI resulted in fixation of appointed date as August 7th, 2012 initially, i.e. after a delay of approx. eight months and consequently the COD was originally fixed on June 14, 2014, extends to February 3, 2015. However, as per company, the project is expected to achieve COD on June 1, 2016 as against the Date of Commencement of Commercial Operations (DCCO) of June 14, 2014 i.e. with a delay of about 23 months and 18 days. Due to above delays, the company could not draw entire loan amount till financial year 2014-15. The company will draw the undrawn debt during the year 2015-16. The company has applied for extension of COD to June 1, 2016 with NHAI and postponement of repayment schedule with first installment payable in December, 2017 and last installment payable in June, 2026 with lead bank and consortium banks. The proposal with lead bank, Oriental Bank of Commerce and other consortium banks is under process and hence, entire borrowings from secured lenders have been classified under 'Non-Current Liabilities'.

ii) Following are continuing default as on reporting date in payment of interest to the bank.

Nature of Payment	Period of delay	Amount (Rs.)
Interest on Term loans-due on 31.01.2015	59 Days	13,596,437
Interest on Term loans-due on 28.02.2015	31 Days	12,484,874
Grand Total		26,081,311

Ranchi Expressways Ltd -Term Loans from SBOP, Punjab & Sind Bank, IDBI Bank, Dena Bank, Canara Bank, Vijaya Bank, SBBJ, OBC, ICICI, Corporation Bank, South India Bank Ltd, Federal Bank Ltd, Allahabad Bank and IIFCL : Terms of Repayments of Long Term Borrowings:

Terms of Repayments of Long Term Borrowings: Indian Rupees Term Loans consist of Loans borrowed from a consortium of 14 banks and one financial institution with interest rate of 11.70% [Canara Bank (CB) Base rate + 1.50%] as on 31st March, 2015. Rate of interest shall be floating rate equivalent to base rate of CB plus interest spread of 1.5% upto the first Interest Reset date. From the first and subsequent Interest Reset date, rate of interest shall be subject to reset on every Interest Reset Date to Base Rate of CB plus such interest spread as may be determined by the bankers on an Interest reset date and unless the Interest spread is so reset on the interest Reset Date, the interest spread shall be the same as applicable prior to that Interest Reset Date. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 22 semi annual unequal installments along with the interest starting from March, 2015 and the last installment payable in March 2026. The company has submitted a proposal for postponement of COD to 1 April, 2016 with NHAI and postponement of repayment of installments with bankers, the 1st Installment payable in March, 2017 and the last installment payable in March, 2028. The installment amounts are ranging from Rs.92,00,000/- to Rs. 28,00,00,000/-. Canara Bank, lead banker and ICICI Bank, one of the consortium banks have sanctioned the extension. The proposal is under consideration with other consortium lenders

Terms of Security

(i) A first mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.

(ii) A first mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.

(iii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

(iv) First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract.

(v) A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or/any of its contractors favouring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.

(vi) Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently, 4,12,08,000 (51%) equity shares held by Madhucon Toll Highways Limited are pledged with the lenders.

j) The first repayment of loan for an amount of Rs.47,93,00,000/-, as per common loan agreement, falls due on March 31, 2015. But delay in handing over of right of way by NHAI resulted in fixation of appointed date as December 4, 2012, initially i.e. after a delay of approx by thirteen months and consequently the COD was originally fixed on April 16, 2014, extends to June 4, 2015. However, as per company, the project is expected to achieve COD on April 1, 2016 as against the Date of Commencement of Commercial Operations (DCCO) of April 16, 2014 i.e. with a delay of about 24 months and 15 days. Due to above delays, the company could not draw entire loan amount till financial year 2014-15. The company will draw the undrawn debt during the year 2015-16. The company has submitted a proposal for postponement of COD to April 1, 2016 and postponement of repayment of installment schedule with 1st Installment payable in March, 2017 and the last installment payable in March, 2028. The proposal is under consideration with lead bank, Canara Bank and other consortium lenders. ICICI Bank, one of the consortium banks has sanctioned the extension of COD date and postponement of repayment schedule and executed independent documentation. The proposal with other lenders is under process. As such, no repayment of loan will fall due during financial year 2015-16 and hence entire borrowings from secured lenders have been classified under " Non-Current Liabilities"

ii) Following are continuing default as on reporting date in payment of interest to the bank.

Nature of Payment	Period of delay	Amount (Rs.)
Interest on Term loans-due on 31.01.2015	59 Days	2,770,432
Interest on Term loans-due on 28.02.2015	59 Days	34,781,923
Grand Total		37,552,355

TN(DK) Expressways Ltd :Term Loans from SBH, SBI, Vijaya Bank, State Bank of Saurashtra, Bank of Maharashtra, Andhra Bank, State Bank Mysore and FITL SBH, SBI, Vijaya Bank, State Bank of Saurashtra, Bank of Maharashtra, Andhra Bank, State Bank Mysore:

Terms of Repayment of Secured Loans: Indian Rupees Term Loans consists of Loans borrowed from a consortium of 7 bankers. During the Financial Year 2012-2013 the company went for Restructuring of Term Loans for Rs.180.45 Cr by extending door to door tenor of loan from the existing remaining 6.25 years to 10 years by changing the repayment structure, with cutoff date as 31.12.2012. The weighted average interest rate is @ 13.30% (State Bank Base rate+3.30%) with monthly rests, with effect from cut of date i.e., 31.12.2012. As on 31st March 2013, the loan is repayable in 40 quarterly installments with each Installment ranging from of Rs.9 lakhs to Rs.20 crores each along with the interest from 31.03.2013. During the year Rs.10,21,982 of current year repayment of the loan amount was repaid.

The interest obligation for 3 months from 01.01.2013 to 31.03.2013 for Rs.5.81 cr is funded through Funded Interest Term Loan (FITL) with present interest rate of 13.30% (SBI Base rate + 3.30%). The FITL is repayable in 16 structured quarterly installments commencing from June 2013. During the year Rs.6,54,301 of current year repayment of the loan amount was repaid.

Terms of Security: i) First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement).

ii) First charge on all intangible assets of the borrower including but not limited to the goodwill, rights, undertaking and uncalled capital of the borrower.

iii) First charge or assignment of all the receivables / revenues of the borrower from the project.

iv) Pledge of shares aggregating 51% of the paid up equity capital of the borrower for a period up to 36 months from COD. Thereafter, until the currency of the loan, the pledged shares shall be aggregate 26% of the paid up equity capital.

v) First charge on borrowers all bank accounts including, without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the Borrower under any project document or contract.

vi) Assignment in favour of Lenders of all insurance policies.

vii) Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower.

viii) Apart from the above security stipulations, which were proposed at the time of original sanction, the following promoter and company guarantees have been stipulated in view of the proposed restructuring package:

i) Personal guarantee of directors of the company Mr. Nama Seethaiah, Mr. M Madhu and Mr. K Srinivasa Rao.

ii) Corporate Guarantee of Madhucon Infra Ltd and Madhucon Toll Highways Limited to cover the entire debt outstanding.

Trichy - Thanjavur Expressways Ltd - Term Loans From: Central Bank India, IIFCL, OBC, SBH, IDBI, Canara Bank and FITL from IIFCL, OBC, SBH, IDBI, Central Bank of India, Canara Bank:

Terms of Repayment of Secured Loan: Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution with interest rate of 12.25% as on 31st March 2015. During the year 2012-13 the company went for Restructuring of Term Loan for Rs.232,29,00,000/- with cutoff date 01.12.2012 by changing the repayment schedule on quarterly basis commencing from June 2013 payable on the last day of the Quarter. The interest rates are fixed for all lenders with interest reset happening on each reset date. The loan is repayable in 51 quarterly unequal Installments along with the interest ranging from Rs.21,64,000/- to Rs.39,50,91,000/- from June 2013 till December 2025. The interest obligation for 4 months from cutoff date i.e., from 01.12.2012 to 31.03.2013 for Rs.9,44,00,000/- is funded through Funded Interest Term Loan (FITL) with interest rate of 10.50% (Base rate + 0.25%) fixed with reset on 01.04.2015. The FITL is repayable in 16 structured quarterly installments ranging from Rs.23,75,000/- to Rs.1,06,00,000/- commencing from June 2014 till March, 2018.

Term of Security: i) First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement)

ii) First charge on all intangible assets of the borrower including but not limited to the goodwill, undertaking and uncalled capital of the borrower

iii) First charge or assignment of all the receivables / revenues of the borrower from the project

iv) Pledge of shares aggregating 51% of the paid up equity capital of the borrower for a period up to 36 months from COD. Thereafter, until the currency of the loan, the pledged shares shall be aggregate 26% of the paid up equity capital

v) First charge on borrowers all bank accounts including, without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the Borrower under any project document or contract.

vi) Assignment in favour of Lenders of all insurance policies

vii) Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower

viii) Personal guarantee given by Sri Nama Krishanaiah for Rs.54,05,00,000/- and Sri Nama Seethaiah for Rs.66,40,00,000/-

Madhurai - Tuticorin Expressways Ltd- Term Loans From IIFCL, Central Bank Of India, Canara Bank, Vijaya Bank, SBH, IDBI and FITL from IFCL, Central Bank Of India, Canara Bank, Vijaya Bank, SBH, IDBI:

Terms of Repayment: Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution. The entire outstanding debt of Rs.559.13 crores re-structured as on 1st December 2012, will be paid in 52 unequal quarterly installments with bullet payment of Rs.100 crores to be paid in 31.03.2026. Installment ranging from 11.50 lakhs to 114.58 crore are to be paid starting from month of June 2013 till March 2026. The interest obligations for 4 months from the cut off date from Dec-12 to Mar-2013 is funded through funded interest term loan(FITL). It will be repaid in 16 unequal Quarterly installments ranging from 27 lacs to 2.40 crores starting from June'2014 till March 2018.

Terms of Security: (i) First mortgage and charge on all the Borrower's movable and immovable properties, both present and future. Excluding the project assets (as defined in the Concession Agreement)

(ii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower

(iii) A first charge/assignment of all receivable/revenues of the Borrower from the project.

(iii) Pledge of 51% of share of the paid up equity capital of the borrower, for a period up to 36 months from COD. Thereafter, until the currency of the loan, the pledged shares shall aggregate 26% of the paid -up equity capital

(iv) A first charge on all bank accounts including without limitation, the Escrow Account and the Debt Service Reserve Account to be established by the Borrower and each of the other accounts required to be created by the Borrower under any project document or contract

(v) Assignment in favour of Lenders of all Insurance Policies.

(vi) Assignment of contract or guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter-party under any Project Agreement or contract in favour of the Borrower.

(vii) Personal guarantee given by Sri Nama Krishnaiah for Rs.54,05,00,000/- and Sri Nama Seethaiah for Rs.66,40,00,000/-

Continuing default as on reporting date in repayment of principal & interest to the bank and Financial institution

Nature of Payment	Period of delay	Amount (Rs.)
Interest on Term loans-due on 31.01.2015	59 Days	60,860,221
Interest on Term loans-due on 28.02.2015	31 Days	55,402,494
Grand Total		116,262,715

Madhucon Agra-Jaipur Expressways Ltd - Term Loans from Andhra Bank, Canara Bank, OBC, SBBJ, SBI, SBBOP, and SBM:

Terms of Repayment: During the period, the rate of interest was 12.60% uniformly. The interest rates are fixed for all the 7 banks with interest reset happening on each reset date per annum. The loan is repayable in 48 quarterly unequal installments ranging from 1.15 Crores to 34.50 Crores starting from 31.03.2012 to 31.12.2023.

Terms of Security: Except Project Assets as specified in the Concession Agreement.

- (i) A first mortgage/charge on all the Borrower's movable and immovable properties, both present and future except project asset.
- (ii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.
- (iii) A first charge/assignment of all receivable/revenues of the Borrower
- (iv) A first charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project
- (v) Pledge of 51% of share of the paid up equity capital of SPV held by the Promoters
- (vi) A first charge on all bank accounts of the borrower

Madhucon Projects Ltd - Term Loans from Financial Institutions:

(i) **Srei Equipment Finance Limited** : Secured by Subservient charge on movable fixed assets of the company worth Rs. 108 Crores.

(ii) **Magma Fincorp Limited** : Secured by hypothecation of specific assets purchased out of the loan amount.

(iii) **Mahindra & Mahindra Financial Services Limited** : Secured by hypothecation of tippers financed through the loan arrangements.

(iv) **Term Loan from Financial institution(Srei Infrastructure Finance Limited)**: No Security

v) Term loan from TATA Capital Limited of Rs 50 Cr should be paid in equal twenty six Quarter installment, which had commenced on 10th December 2011. Interest rate of 12.25% fixed for the first year with the interest reset happening at the end of the first year from the date of disbursement i.e. 30th March of every year. The interest rate as at 31 March 2015 is 15.00%. Amount of Rs.38,283,358 overdue towards principal repayments.

Secured by a) First and exclusive charge on all the operating and maintenance receivables to be executed within 3 months from the date of disbursement. b) Pledge of shares of the borrower of the face value of Rs.2,500,000,000. c) Corporate guarantee of Madhucon Projects Limited, the holding Company.

vi) Term loan of Rs.25 Cr. received from Ramky Enviro Engineers Limited on 31-12-2014 for tenure period of 45 days, at interest rate of 15% payable on monthly basis, out of which Rs.20.8 Cr. has been repaid on 30-03-2015, resulting in default as on 31st March 2015 for balance amount of Rs.4.2 Cr. Amount of Rs.9,178,356 was overdue towards interest repayments as on 31st March 2015.

vii) From IFCI Ltd Rs. 200 Cr. Fully convertible debentures of face value of Rs.10 together with accrued interest of Rs.20 Cr. has been converted into 220 crore Non-convertible debentures of face value of Rs.10/- each with coupon rate of interest of 12.00% p.a payable quarterly, from the due date of first installment applicable rate of interest is 14.83%. First installment of Rs.275,000,000 due on 1st February 2015 has not yet been paid by the Company, resulting in default as on 31st March 2015. Amount of Rs.147,008,570 was overdue towards interest repayments as on 31st March 2015.

2.4 Deferred Tax Liabilities (Net)

	As at 31 March 2015	As at 31 March 2014
Opening Balance	-	66.23
Add/Less:- For the Current Year	2,138.34	(66.23)
Total	2,138.34	-

2.5 Other Long Term Liabilities

	As at 31 March 2015	As at 31 March 2014
(1) Mobilisation Advances	7,599.15	10,040.63
(2) Other Liabilities	16,751.14	22,410.81
(3) Trade Payables	10,973.98	16,739.51
(4) Retention Money	11,098.39	12,372.92
Total	46,422.66	61,563.87

2.6 Long Term Provisions

	As at 31 March 2015	As at 31 March 2014
(1) Provision for Periodic Maintenance	12,746.75	4,070.23
(2) Provision for Gratuity & Leave Encashment	22.85	25.83
Total	12,769.60	4,096.05

2.7 Short Term Borrowings

	As at 31 March 2015	As at 31 March 2014
From Banks - Secured	66,533.81	46,943.50
Total	66,533.81	46,943.50

Note : CC Limits from Axis bank 13.25%, Bank of India 13.20%, IDBI Bank 14.75%, Kotak (ING Vysya) 14.55%, OBC 13.25%, SBI 14.85%, ICICI Bank 14.75% & 12.00%.

The company has availed the Working capital Cash credit facility from various banks under Multiple Banking Arrangement are secured by

i) *Pari-Passu* First charge by way of hypothecation of the company's inventory, work-in-progress and receivables, both present and future (other than project specific) with other working capital lenders.

ii) *Pari-Passu* second charge on all the unencumbered movable fixed assets of the company, both present and future with other working capital lenders

2.8 Trade Payables

	As at 31 March 2015	As at 31 March 2014
For Supplies	10,236.86	14,212.66
For Services	18,231.81	11,510.56
Total	28,468.67	25,723.23

2.9 Other Current Liabilities

	As at 31 March 2015	As at 31 March 2014
(a) Current maturities of Long Term debt	68,428.85	49,455.44
(b) Other Payables		
(1) Other Liabilities	57,582.02	36,233.21
(2) Mobilisation Advance	3,350.99	700.92
(3) Royalty Payables	499.41	414.53
Total	129,861.28	86,804.10

2.10 Short Term Provisions

	As at 31 March 2015	As at 31 March 2014
(1) Provision for Tax (Includes Dividend Distribution Tax)	6,620.86	4,807.07
(2) Provision for Employee Benefits	130.71	110.97
(3) Provision for Proposed Dividend & Dividend Tax	73.79	73.79
(4) Other Short term provisions	30,283.73	18,690.26
Total	37,109.09	23,682.10

2.11 Fixed Assets & Depreciation

Rs. In Lakhs

Sl. No.	Name of the Asset	Gross Block				Depreciation				Net Block	
		As at 01.04.2014	Additions	Deletions	As at 31.03.2015	As At 01.04.2014	For the Year	Deletion/ (Adjustment)	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
1	2	3	4	5	6=(3+4-5)	7	8	9	10=(7+8-9)	11=(6-10)	12=(3-7)
1	Land	12,141.21	88.68	5.25	12,224.63	-	-	-	-	12,224.63	12,141.21
2	Building	33,418.37	37,024.79	-	70,443.16	1,232.99	2,040.15	-	3,273.13	67,170.03	32,185.38
3	Staff Quarters	10.57	-	-	10.57	2.29	-	-	2.29	8.28	8.28
4	Vehicles	2,459.39	110.15	41.04	2,528.50	1,305.75	239.84	0.62	1,544.97	983.53	816.85
5	Tippers & Trucks	11,823.13	138.29	382.96	11,578.45	8,406.64	1,339.08	277.31	9,468.40	2,110.05	3,829.27
6	Centering Materials	1,884.80	66.23	-	1,951.03	1,882.37	64.91	-	1,947.27	3.76	0.90
7	Temporary Structures	3,035.62	67.56	-	3,103.17	2,394.32	7.20	-	2,401.52	701.65	112.95
8	Furniture & Office Equipment	1,371.73	40.16	1.95	1,409.94	541.48	145.04	49.43	637.09	772.85	849.38
9	Computers	513.02	78.79	-	591.81	212.06	149.88	41.84	320.10	271.71	279.96
10	Plant & Machinery	232,356.62	111,936.00	153.60	344,139.03	42,803.58	11,360.42	543.47	53,620.54	290,518.49	190,007.04
	Total	299,014.44	149,550.65	584.80	447,980.29	58,781.46	15,346.51	912.67	73,215.31	374,764.98	240,231.22
11	Carriageway (Intangible Assets)	198,546.76	4,352.87	-	202,899.63	25,352.05	4,496.56	9,723.12	20,125.49	182,774.14	173,196.47
12	Capital Work in Progress	89,267.59	98,618.87	170,047.34	17,839.11	-	-	(149.16)	149.16	17,689.96	89,267.59
13	Intangible Assets Under Development	108,149.27	36,469.88	-	144,619.14	-	-	-	-	144,619.14	108,149.26
	Total	694,978.06	288,992.27	170,632.14	813,338.17	84,133.51	19,843.07	10,486.63	93,489.96	719,848.22	610,844.54

2.12 Non Current Investments

	No. of Shares Held	As at 31 March 2015	No. of Shares Held	As at 31 March 2014
Equity Investment-Quoted				
Canara Bank (4100 Equity shares of Rs.10/each with premium of Rs25/-)	4100	1.44	4100	1.44
Sub Total		1.44		1.44
Equity Investment - Unquoted				
(1) Madhucon Natural Resources Limited Singapore (750 Ordinary Shares of S\$ 1 each)	750	0.21	750	0.21
(2) Madhucon Sugar & Power Industries Limited (4811500 Equity shares of Rs.10/- each)	4811500	1,172.10	4811500	481.15
(3) Rajanagaram Gas Power Private Limited (488080 equity Shares of Rs.10/-each)	488080	48.81	488080	48.81
(4) M B N Anchored Earth Limited (40000 Equity shares of Rs.10/- each)	40000	6.31	40000	4.00
(5) Madhucon Properties Limited (20000 equity Shares of Rs.10/-each)	20000	(4.10)	20000	2.00
(6) Ramnagar Power Private Limited (10000 equity Shares of Rs.10/-each)	10000	(3.21)	10000	1.00
Sub Total		1,220.11		537.16
Total		1,221.55		538.60

(1) Aggregate of Investments	As at 31st March 2015		As at 31st March 2014	
	Cost	Market Value	Cost	Market Value
Quoted Investments	1.44	14.56	1.44	10.84
Unquoted Investments	1220.12	-	537.17	-
Grand Total	1221.56		538.61	

2.13 Long Term Loans and Advances

	As at 31 March 2015	As at 31 March 2014
(1) Nama Investments Limited	3,899.35	3,996.11
(2) Other Loans & Advances	7,262.72	1,193.21
(3) NNR Infra Investment (P) Limited	438.65	397.11
(4) Madhucon Infotech Limited	57.10	60.78
(5) Madhucon Natural Resources Limited (Singapore)	19.12	18.03
(6) Ramnagar Power Private Limited	6.35	6.03
(7) African Natural Resources Limited (Mauritius)	23.67	23.67
(8) Legend Natural Resources Limited (Mauritius)	20.62	20.62
(9) Madhucon Oil and Gas Limited, Ghana	2.73	2.73
(10) Madhucon Mineral Resources Limited	2.16	1.57
Total	11,732.49	5,719.87

2.14 Other Non Current Assets

	As at 31 March 2015	As at 31 March 2014
(1) Other Non Current Assets	16,674.66	12,482.14
(2) Trade Receivables*	2,639.45	6,480.39
(3) Retention Money Deposits	7,158.57	4,506.59
(4) Mobilisation Advance	1,683.25	4,370.85
(5) Earnest Money Deposits	1,359.02	1,174.77
Total	29,514.95	29,014.74

* In respect of Trade Receivables amounting to Rs. 2639.45 Lakhs till their claim is accepted by NHAI.

2.15 Current Investments

	As at 31 March 2015	As at 31 March 2014
(1) Canara Robeco Treasury Advantage Fund (Super institutional daily dividend reinvestment fund)	17.64	10.33
(2) SBI Premier Fund (Super institutional daily dividend reinvestment fund)	11.92	11.21
(3) Canara Bank Mutual Funds	18.49	17.43
Total	48.06	38.98

2.16 Inventories

	As at 31 March 2015	As at 31 March 2014
(1) Closing Stock	12,180.18	9,125.35
(2) Closing Work-in-Progress	281.01	2,941.44
Total	12,461.19	12,066.79

2.17 Trade Receivables

	As at 31 March 2015	As at 31 March 2014
1) Trade receivable less than 6 months Unsecured, considered good	14,664.55	17,424.30
Total	14,664.55	17,424.30

2.18 Cash and Bank Balances

	As at 31 March 2015	As at 31 March 2014
Cash and Cash Equivalents:		
1) Cash on hand	131.47	172.29
2) Balances with banks :		
i) In Current Accounts	5,611.78	9,031.45
ii) Unpaid Dividend	10.62	10.05
iii) FDR with Banks	427.09	256.09
3) Bank Deposits with more than 12 months maturity		
i) Margin Money Desposits	1,903.07	1,831.57
Total	8,084.03	11,301.44

2.19 Short Term Loans and Advances

	As at 31 March 2015	As at 31 March 2014
(1) Other Advance	4,812.69	155.75
Total	4,812.69	155.75

2.20 Other Current Assets

	As at 31 March 2015	As at 31 March 2014
(1) Retention Money Deposits	1,404.57	16,256.02
(2) Mobilisation Advance	4,179.75	2,299.28
(3) TDS Receivables	2,452.69	2,246.22
(4) Other Current Assets	10,110.56	26,805.32
Total	18,147.58	47,606.84

2. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.21 Revenue

	Year ended March 31, 2015	Year ended March 31, 2014
From Operations:		
Power Generation	155,458.40	110,038.68
Civil Engineering Projects	23,787.02	29,933.43
Toll Plaza collection	19,402.44	18,185.88
From Other Operating Income		
Sale of Metal, Scrap and Others	5,158.13	3,647.69
Total	203,805.99	161,805.68

2.22 Other Income

	Year ended March 31, 2015	Year ended March 31, 2014
Other Non-operating Income	2,298.90	1,105.27
Interest Income	1,505.81	708.33
Dividend Income	0.18	0.80
Total	3,804.89	1,814.41

2.23 A. Cost Of Materials Consumed

	Year ended March 31, 2015	Year ended March 31, 2014
Coal cost	74,387.61	55,378.15
Other Materials	6,509.33	5,244.67
General Stores	1,171.55	1,304.14
Total	82,068.49	61,926.96

B. Other Construction Expenses

	Year ended March 31, 2015	Year ended March 31, 2014
Road Work Expenses	13,639.08	9,327.24
Earth Work Expenses	3,038.99	8,571.79
Repairs & Maintenance	3,605.31	6,214.20
Other Works	2,111.93	6,968.79
Civil Works	3,729.03	656.89
Total	26,124.34	31,738.91
Total (A+B)	108,192.83	93,665.87

2.24 Changes In Stock & Work-In-Progress

	Year ended March 31, 2015	Year ended March 31, 2014
Opening Stock	953.90	1,632.37
Opening Work-in-Progress	2,941.44	2,843.69
Closing Stock	(835.45)	(953.90)
Closing Work-in-Progress	(281.01)	(2,941.44)
Total	2,778.88	580.72

2.25 Employee Benefit Expenses

	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Wages, Bonus and PF etc..	3,899.87	4,134.21
Workmen and Staff Welfare Expenses	39.51	186.98
Total	3,939.38	4,321.19

2.26 Finance Cost

	Year ended March 31, 2015	Year ended March 31, 2014
Interest Expenses	50,321.69	42,077.53
B.G Commision	1,212.94	544.46
Total	51,534.63	42,621.99

2.27 Other Expenses

	Year ended March 31, 2015	Year ended March 31, 2014
O & M Expenditure	15,908.66	12,264.06
Administrative Expenses	5,674.69	12,258.36
Rent, Rates & Taxes	979.41	2,444.23
Consultancy	360.61	319.12
Insurance Charges	507.45	168.10
Total	23,430.82	27,453.86

OTHER NOTES ON ACCOUNTS

2.28 Subsidiaries and Associates companies considered in the financial statements are:

S.No	Name of the Entity	Country of Incorporation	Proportion of Ownership Interest MPL	Proportion of Ownership Interest MIL	Proportion of Ownership Interest MTHL
1	Madhucon Infra Limited	India	94.894%	-	-
2	Nama Hotels Private Limited	India	99.96%	-	-
3	Madhucon Mega Mall Private Limited	India	66.66%	-	-
4	Madhucon Heights Private Limited	India	66.66%	-	-
5	Madhucon Energy Limited	India	99.99%	-	-
6	Agastyamuni Hydro Power Private Limited	India	60.00%	-	-
7	Rudraprayag Hydropower Private Limited	India	60.00%	-	-
8	Tilwara Hydro power Private Limited	India	60.00%	-	-
9	Madhurai Tuticorin Expressways Limited	India	54.12%	-	24.48%
10	Madhucon Toll Highways Limited	India	0.008%	99.978%	-
11	Ranchi Expressways Limited	India	0.017%	0.02%	99.938%
12	Barasat Krishnagar Expressways Limited	India	0.03%	0.04%	99.88%
13	Simhapuri Energy Limited	India	7.36%	85.193%	-
14	Madhucon Agra Jaipur Expressways Limited	India	0.10%	51.00%	39.79%
15	TN(DK) Expressways Limited	India	0.13%	50.97%	48.86%
16	Trichy-Thanjavur Expressways Limited	India	0.15%	51.05%	48.75%
17	Chhapra-Hajipur Expressways Limited	India	0.16%	54.23%	45.58%
18	Vijayawada-Machilipatnam Expressways Limited	India	1.78%	13.33%	80.44%

19	Rajauli Bakhtiyarpur Expressways Limited	India	4.8%	4.00%	83.20%
20	PT Madhucon Sriwijaya Power	Indonesia	92.50%	-	-
21	PT Madhucon Indonesia	Indonesia	10.00%	85.00%	-
22	MBN Anchored Earth Limited	India	40.00%	-	-
23	Madhucon Properties Limited	India	33.33%	-	-
24	Madhucon Sugar and Power Industries Ltd	India	23.54%	-	-
25	Ramnagar Power Private Limited	India	50.00%	-	-

2.28.1 (a) Contingent Liabilities not provided for: (in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Bank Guarantees/Letters of Credit issued by the banks on behalf of the Company.	73068.06	61,093.54
Disputed Sales Tax (on appeal)	5,795.52	6,424.63
Income-tax demand contested in appeal.	8,701.82	6,621.52

(b) The company has Power purchase agreement (PPA) with PTC India Ltd on 12.10.2013 valid for 24 years from April 01, 2013. As per the agreement SEL has to supply 200MW (Gross) power for Phase - I units & Power tolling agreement dated for 150 MW for 2nd Unit of Phase - II. The balance of 100MW from Phase - I & 150MW from Phase II will be the company to be marked under merchandise basis.

2.29 The long term unquoted investments in equity shares of subsidiary companies as given hereunder and included in Schedule V are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Investee Company	No of Shares pledged As at 31.03.2015	No of Shares pledged As at 31.03.2014
1	Madurai Tuticorin Expressways Limited	8,85,61,500	8,34,55,500
2	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
3	Madhucon Infra Limited	56,44,77,705	43,57,00,000
4	Simhapuri Energy Limited	695332071	66,26,10,106

2.30 Deferred Tax Liabilities:

As per Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Liabilities arising is as follows:

(in Lakhs)

Particulars	31.03.2015	31.03.2014
Deferred Tax Liabilities on timing differences due to :		
Depreciation	2138.34	-
Total	21.38.34	-

2.31 Segment Reporting

The details of primary segment information for the year ended March 31,2015 and March 31,2014 are given below:

- a) The segment report of Madhucon Projects Limited and Its subsidiaries (the Group) has been prepared in accordance with Accounting Standard 17 "Segment Reporting" as notified under the Companies Act 2013.
- b) The Group is currently focused on three business segments: Construction, Power and Toll Collection.
- c) Since, we are having operations only in India. Secondary segment reporting is not applicable to us.

2.32 Micro & Small Enterprises:

The management has taken steps to identify the enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2014 has been made in the Financial Statements based on the information received and such amount outstanding as on 31st March, 2015 to Micro and Small Enterprises is Nil which the Auditor have relied upon. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material

2.33 In accordance with Accounting Standard 11 (revised) the net exchange gain / (Loss) credited to profit & loss account is Rs.Nil (previous year net exchange gain credited Rs.Nil Lakhs and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs.Nil (previous year Rs.Nil).

2.34 Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 (wherever applicable).

Particulars	(in Lakhs)	
	2014-15	2013-14
Foreign Exchange Earnings & Out go :		
I) Foreign Exchange Earning : Interest & Other	3,657.65	Nil
II) Foreign Exchange Out Go :		
a) Towards Traveling	9.39	4.66
b) Towards Import of Capital Goods (CIF)	Nil	103.51
c) Towards payment/Advance to Materials	2,386.54	868.89
d) Raw Materials	52,357.42	34,233.11
III) On Account of Others :		
A) Investment	Nil	Nil
B) Interest	16.44	29.40
C) Loan Repayment	325.43	Nil
IV) Others	3.26	159.12

2.35 Related Party Transactions:

Following are the list of related parties and relationships

A. Group Companies

1. Nama Investments Limited
2. Madhucon Granites Limited
3. Madhucon Info Tech Limited
4. Madhucon Land Developers Limited
5. Madhucon Estates Limited
6. Nama Properties Limited

7. NNR Infra Investments Private Limited
8. Rajanagaram Gas Power Private Limited
9. Pallakurichi Power Private Limited
10. Madhucon Stone Crushers Private Limited
11. Bima Quarrying Private Limited
12. Madhucon Mineral Resources Limited
13. Umarwada Gas Power Project Private Limited
14. Tiruchendur Power Private Limited
15. Nama Energy Private Limited

B. Related Party Transactions during the year ended March 31, 2015 are as follows:

(In Lakhs)

Particulars of Transactions	Associates		Jointly Controlled/entities and ventures		Key Management Personnel and Relatives		Enterprises Owned Or Significantly influenced By Key Management Personnel Or Their Relatives	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Services	-	-	-	-	-	-	-	-
Sales/Contract Receipts	-	-	-	-	-	-	-	-
Purchases/Contract Payments	-	-	-	-	-	-	-	-
Share Capital/Share Application Money	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	294.60	13.44	-	-
Remuneration	-	-	-	-	128.67	96.00	-	-
Investments	-	-	-	-	-	-	-	-
Sale of Investments to Subsidiaries	-	-	-	-	-	-	-	-
Corporate Guarantees	-	-	-	-	-	-	-	-
Bank Guarantees	-	-	-	-	-	-	-	-
Loans/Advances paid	10.00	42.08	-	2.95	-	23.72	-	289.00
Loans/Advances Received	128.33	980.45	-	52.37	-	610.14	-	3160.00
Year end balances in Current Assets	6.35	-	2015.71	1839.19	-	395.92	4397.69	4,609.75
Year end balances in Current Liabilities	579.09	763.14	-	541.57	2071.48	2127.20	881.23	4814.76

C. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2014-15

(in Lakhs)

Particulars of Transactions	31.03.2015	31.03.2014
Sales/Contract Receipts		
Madhucon Sino Hydro	3535.45	6,329.21
Rent Paid:		
Sri. Nama Seethaiah	59.55	13.44
Sri. Nama NageswaraRao	64.05	37.34
Remuneration:		
Sri. Nama Seethaiah	60.00	60.00
Sri. K. SrinivasaRao	30.00	24.00
Sri. N. Krishnaiah	38.67	12.00

2.36 Earning Per Share:

Sl. No.	Particulars	2014-15	2013-14
1	Profit computation for basic earnings Net Profit as per Profit & Loss Accounts available for equity share holder (Rs in Lakhs)	(354.22)	(27,674.48)
2	Weighted average number of equity shares of Re. 1/- each for Basic EPS (Nos)	7,37,94,940	7,37,94,940
3	EPS (weighted average) (Rs.)	(0.48)	(37.50)

2.37 (a) NHAH has terminated the Concession Agreement vide letter no.NHAH/BOT – Concession Agreement vide letter no:NHAH/BOT-1/11019/102/2007/63 dated:29th October 2013 and further confirmed it vide its letter no.NHAH/BOT-I/11019/102/2007/403 dated 27th August, 2014. Company has preferred a claim on NHAH for an amount of Rs.244.45 crores towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges and consultants fee etc. on this project by the Company and the EPC Contractor. THE Company is pursuing with NHAH for settlement of the said claim. The Company is confident that it will receive the claim soon from NHAH. In view of the above and on the basis of legal opinion obtained, the company is confident that the expenditure incurred towards development of BOT Asset is recoverable as a part of the claim preferred with NHAH and accordingly treated the same as an asset instead of charging the same to the Statement of Profit and Loss.

(b) Due to unavoidable circumstances, the construction of Shopping Mall cum Multiplex project could not be completed within the time by Madhucon Mega Mall Private Limited. Hence the APHB issued letter bearing No.105/Madhucon/AE/PC/2005, dated 16-12-2013 for revoking the Power of Attorney and Resumption of land to the extent of 5.32 Acres, aggrieved by the above said letter the company filed arbitration petition under sec.9 of Arbitration and conciliation Act,1996 before the XI A C J Court, CCC, Hyderabad seeking injunction against the APHB and after elaborate arguments the Hon'ble court was pleased to pass the Status quo order against the APHB and the same is pending. Further based on the internal assessment and a legal opinion, the management is confident that it will succeed the above case and the loan given to such SPV is fully realizable.

(c) Unsecured Loans and advances include amounts given to Nama Investments Limited and NNR Infra Investments Private Limited. These companies have been incurring losses and the accumulated losses exceeded the net worth of these companies. As the value of investments of these companies are more than the loans and advances due from these companies, management is confident on the realisation carrying value of the assets at the values stated in the books of accounts.

2.38 In respect of a Subsidiary Madhucon Natural Resources Limited Singapore the audit of the subsidiary is not completed, there are no transactions from this inspection and the effect on consolidated financial statements is negligible and hence it is not for consolidation.

2.39 Figures of previous year have been regrouped/rearranged/reclassified wherever necessary to Conform to the current year presentation.

**As per our Report of even date attached
For Kota & Company
Chartered Accountants**

For and on behalf of the Board

K.S.R.K. Prasad
Partner

N. Seethaiah
Managing Director
DIN-00784491

Kandimalla KVN Prasad
Independent Director
DIN-00084398

Place : Hyderabad
Date : 30.05.2015

SA Mustaq
Chief General Manager

C. Bharathi
Company Secretary

**MADHUCON PROJECTS LIMITED**

CIN: L74210TG1990PLC011114

Regd.Office: Madhu Complex, 1-7-70, Jublipura, Khammam-507 003
Tel.No:040-23556001; Fax: 040-23556005; website: www.madhucon.com**ATTENDANCE SLIP**I/We hereby record my/our presence at the 25th Annual General Meeting of the Company being held on 30th September, 2015 at 3.00 PM at its Registered Office.

Members Folio/ DP ID-Client ID No. _____

Member's/Proxy's name in Block Letters _____

Signature of Member/Proxy _____

Regd.folio/*Client ID:

*Applicable for members holding shares in electronic form.

Note: To be signed and handed over at the entrance of the Meeting Venue.**MADHUCON PROJECTS LIMITED**

CIN: L74210TG1990PLC011114

Regd.Office: Madhu Complex, 1-7-70, Jublipura, Khammam-507 002
Tel.No:040-23556001; Fax: 040-23556005; website: www.madhucon.com**FORM No. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: Madhucon Projects Limited
Registered Office	: Madhu Complex, 1-7-70, Jublipura, Khammam-5007 002

Name of the Members(s)	:
Registered Address	:
E-mail Id	:
Folio No/Client ID	:
DP ID	:

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:-

- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the 30th day of September, 2015 at 3.00 p.m. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote**	
		For	Against
Ordinary Business			
1	Consider and adopt the audited Financial Statements (Standalone and Consolidated) for the financial year ended 31 st March, 2015 together with Reports of the Board of Directors and Auditors thereon.		
2	Declaration of dividend on Equity Shares for the financial year 2014-15		
3	Appointment of Auditors and to fix their remuneration		
Special Business			
4	Appointment of Sri Mohammad Shafi (DIN-07178265) as Whole-time Director of the Company		
5	Approval for the remuneration of the Cost Auditor for the financial year ending on March 31, 2016		
6	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this day of 2015.

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Affix One
Rupee Stamp
here**Notes:**

- The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	Password/ PIN
EVENT_NO	User ID	PWD

Instructions for e-voting:

- a. Initial password is provided, in the attendance slip of the AGM. Please note that the password is an initial password.
- b. Use the following URL for e-voting: From Karvy website: <http://evoting.karvy.com>
- c. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- d. Enter the login credentials. Your Folio No/DP ID Client ID will be your user ID.
- e. After entering the details appropriately, click on LOGIN.
- f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g. You need to login again with the new credentials.
- h. On successful login, the system will prompt you to select the EVENT i.e., Madhucon Projects Limited
- i. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- j. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
- k. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the Resolution.
- l. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- m. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rakhiagarwal79@yahoo.com with a copy marked to evoting@karvy.com.
- n. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free).