

Ref.: MPL/HYD/SE/2024-25

Date: 06-08-2024

The Bombay Stock Exchange (BSE) Corporate Relationship Dept., 1st Floor, New Trading Ring Rotunda Building, PJ Towers Dalal Street, Fort, Mumbai -400 001 BSE Script code: 531497	The National Stock Exchange (NSE) of India Limited, 5th Floor, Exchange Plaza, Bandra (East), Mumbai- 400 051. NSE Script code: MADHUCON
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Dear Sir/ Madam,

Sub.: Outcome of Board Meeting held on 6th August, 2024

Pursuant to the provisions of Regulation 30 of the SEBI (LODR) Regulation, 2015, we would like to inform you that in the meeting of Board of Director of M/s Madhucon Projects Ltd., held today i.e., **6th August, 2024**, the Board has inter-alia approved the un-audited Financials for the quarter ended 30th June, 2024 with other following agenda items:

1. Attached an approved Un-Audited Standalone and Consolidated **Financial Results for the quarter ended 30th June, 2024** along with Auditors' Limited Review Report in terms of Regulation 33 (3) (a) and (b) of SEBI (LODR) Regulations 2015.
2. Approved the Notice of 34th Annual General Meeting of the Company and fixed the date of **34th AGM will be held on Friday, 27th September, 2024** at the Registered office, Khammam.
3. **Book Closure** dates are fixed from **Saturday, 21st September, 2024 to Friday, 27th September, 2024 for 34th AGM.**

The Meeting of the Board of Directors commenced at 16:00 P.M and concluded at 20:50 P.M.

Kindly take them on record.

Thanking you,
For Madhucon Projects Limited



(D. Malla Reddy)
Company Secretary & Compliance Officer

MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

Regd. Office:1-7-70, Jubilpura, Khammam - 507003, Telangana

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(₹ in Lakhs)

Sl. No	Particulars	Standalone			
		Quarter ended			Year ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited	Unaudited	Audited
I	Revenue from Operations	20,975.03	27,156.11	18,685.84	95,124.33
II	Other income	2,535.02	23,280.08	1,732.70	25,442.41
III	Total income (I+II)	23,510.05	50,436.20	20,418.53	1,20,566.74
IV	Expenses:				
	(a) Cost of Materials Consumed	14,880.08	19,318.03	19,765.12	81,834.01
	(b) Employee benefits expense	368.38	449.74	462.15	1,874.02
	(c) Financial Costs	75.33	115.73	54.74	724.02
	(d) Depreciation and amortisation expense	81.89	156.22	146.33	611.26
	(e) Other expenses	8,235.79	31,264.67	441.36	37,553.88
	Total Expenses	23,641.47	51,304.39	20,869.71	1,22,597.19
V	Profit/(Loss) Before Exceptional Items and tax (III-IV)	(131.42)	(868.19)	(451.18)	(2,030.45)
VI	Exceptional Items	-	-	-	-
VII	Profit/(Loss) Before Tax (3-4)	(131.42)	(868.19)	(451.18)	(2,030.45)
VIII	Tax Expense				
	a) Current Tax	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-	-
	c) Deferred Tax	380.70	(598.07)	(95.06)	(1,003.51)
	Total Tax (a+b)	380.70	(598.07)	(95.06)	(1,003.51)
IX	Profit/(Loss) from Continuing operations (VII-VIII)	(512.12)	(270.12)	(356.12)	(1,026.94)
X	Profit/(Loss) from discontinued operations	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-
XII	Profit/(Loss) from discontinued operations after tax (X-XI)	-	-	-	-
XIII	Profit/Loss for the period (IX+XII)	(512.12)	(270.12)	(356.12)	(1,026.94)
	Attributable to:				
	- Share Holders of the Parent Company	-	-	-	-
	- Non Controlling Interest	-	-	-	-
XIV	Other Comprehensive Income (net of tax)				
	A) Items that will not be reclassified to profit or loss				
	(i) Re-measurement gains/(losses) on defined benefit plans	-	47.35	-	47.35
	Share of Other Comprehensive income transferred to Non Controlling interest	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-
	Share of Profit /(Loss) transferred to Non Controlling Interest	-	-	-	-
	Total Other Comprehensive Income, net of tax	-	47.35	-	47.35
	Attributable to:				
	- Share Holders of the Parent Company	-	-	-	-
	- Non Controlling Interest	-	-	-	-
XV	Total Comprehensive Income (XIII+XIV)	(512.12)	(222.77)	(356.12)	(979.59)
	Attributable to:				
	- Share Holders of the Parent Company	-	-	-	-
	- Non Controlling Interest	-	-	-	-
XVI	Paid - up Equity Share Capital (Face value of Rs.1/-)	737.95	737.95	737.95	737.95
XVII	Total Reserves i.e Other equity	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) for discontinued and continuing operations)				
	- Basic and Diluted	(0.69)	(0.37)	(0.48)	(1.39)



Notes:

- 1 The above results have been reviewed by the Audit Committee at its meeting and approved by the Board of Directors of the Company at its meeting held on August 06th, 2024. The Statutory Auditors have submitted Limited Review Report on the Unaudited Financial Results for Quarter ended June 30th, 2024.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Standalone Unaudited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI ((Listing Obligation and Disclosure Requirements), Regulations, 2015.
- 4 Figures of previous period have been regrouped / rearranged wherever necessary.

By order of the Board
for Madhucon Projects Limited



(N. Seethaiah)

Managing Director
DIN: 00784491



(J. Samba siva Rao)

Director (F & A)
DIN: 09526475

Place: Hyderabad
Date : August 06, 2024





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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report to
The Board of Directors
M/S. MADHUCON PROJECTS LIMITED

1. We have reviewed the accompanying IND AS statement of unaudited standalone financial results of Madhucon projects limited ("The Company") for the quarter ended 30th June, 2024 ("The Statement") attached herewith, being submitted by "The Company" pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. "The Statement", which is the responsibility of "The Company's" Management and approved by "The Company's" Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (IND AS 34) 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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4. "Basis for Qualified Conclusion"

- i. We refer to the carrying value of Equity Investments of Rs. 1,03,662.52 lakhs held in subsidiaries/other companies and other investments of Rs. 5624.18 lakhs held in subsidiaries/other companies, some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and other investments whether any provision for impairment in the value of Equity Investments and other investments is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.

During the quarter ended 30th June, 2024, "The Company" has made provision for Impairment of investment of Rs. 7,637.67 lakhs being 6.25% of the total Investment held in it's subsidiary Madhucon Infra Limited.
- ii. "The Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs. 33,369.17 lakhs and Rs. 1,871.66 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Further, in case of other banks except in case of Canara bank, OTS agreements have been entered.
- iii. "The Company" has written back Trade Payables amounting to Rs. 3.61 lakhs for the quarter ended 30th June, 2024.
- iv. "The Company" has written back Other Payables (including Interest payable) amounting to Rs. 1,072.84 lakhs for the quarter ended 30th June, 2024.
- v. "The Company" has written off advances to Other Parties amounting to Rs. 2.29 lakhs for the quarter ended 30th June, 2024.
- vi. "The Company" has not remitted Tax Deducted at source (TDS) amounting to Rs. 263.71 lakhs for the quarter ended 30th June, 2024.
- vii. "The company" is yet to transfer unpaid dividend of an amount aggregating to Rs. 3.73 lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- viii. The Turnover, Output GST and Input GST credits as per the books of account are subject to reconciliation with the GST returns filed.
- ix. Internal Audit has not been conducted for the period 1st April 2024 to 30th June 2024.
- x. "The Company" has not produced Title Deeds in respect of certain immovable properties (lands) held.
- xi. SREI Equipment Finance Limited has approved for Restructuring of existing loan dues for a final settlement of Rs. 4,952.00 lakhs, vide its letter





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dated 02.02.2024. On 28.03.2024 the SREI Equipment Finance Limited filed withdrawal memo seeking leave of this "NCLT" to withdraw the Company petition. NCLT by an order dated 28.03.2024 allowed the company petition stands disposed of as withdrawn.

As per agreed terms & conditions, "The Company" has paid upfront payment of 20% of Restructured loan and four instalments, total amounting to Rs. 3,771.40 lakhs as of 30th June, 2024.

- xii. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of "The Company", CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "The Company" on 11-06-2021 and the investigation is still under progress.
- xiii. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs.96.21 Crore and Rs.80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters which included the properties of Madhucon Projects Limited and group companies in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002.
- xiv. In case of Ranchi Expressways Ltd (REL) a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CRIP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted the next hearing to 10.09.2024.
Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs and has Trade Receivables of Rs.8,090.43 lakhs in the above step down subsidiary for which provision has not been made.
- xv. In case of M/s. Trichy-Thanjavur Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 30.09.2024.
Madhucon Projects Limited has made an Investment of Rs.10 lakhs and advances of Rs. 42.82 lakhs in the above step down subsidiary for which provision has not been made.





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xvi. In case of Barasat - Krishnagar Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 21.08.2024.

Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs in the above step down subsidiary for which provision has not been made.

5. "Qualified Conclusion"

Based on our review conducted as above, except for the possible effects, in respect of matters described in Paragraph 4(i) to 4(xvi) under Paragraph 4 *Basis for Qualified Conclusion* nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid IND AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.
Chartered Accountants
FRN: 007257S


A. Krishna Rao
Partner
M.No. 020085
UDIN: 24020085BKAUQN4225



Place: Hyderabad
Date: 06.08.2024

MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

Regd. Office:1-7-70, Jubilpura, Khammam - 507003, Telangana

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

Sl. No	Particulars	(₹ in Lakhs)			
		Consolidated			
		Quarter ended		Year ended	
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Audited	Unaudited	Audited	Audited	
	PART-I				
I	Revenue from Operations	23,639.90	42,094.57	21,055.48	1,16,375.27
II	Other income	2,604.13	23,666.90	1,960.06	30,140.46
III	Total Income (I+II)	26,244.03	65,761.47	23,015.54	1,46,515.73
IV	Expenses:				
	(a) Cost of Materials Consumed	16,513.92	32,382.16	22,768.73	94,955.68
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	-	-
	(c) Employee benefits expense	466.70	508.70	592.76	2,279.01
	(d) Financial Costs	429.26	2,668.56	283.00	4,142.37
	(e) Depreciation and amortisation expense	1,012.04	154.25	1,001.71	3,181.01
	(f) Other expenses	8,488.87	31,339.77	488.28	49,043.43
	Total Expenses	26,910.79	67,053.44	25,134.48	1,53,601.50
V	Profit/(Loss) Before Exceptional Items and tax (III-IV)	(666.76)	(1,291.97)	(2,118.94)	(7,085.77)
VI	Exceptional Items	-	-	-	-
	Provision for Impairment on Investments	-	-	-	-
	Share of (Loss) from Associate Company	-	-	-	-
VII	Profit/(Loss) Before Tax (3-4)	(666.76)	(1,291.97)	(2,118.94)	(7,085.77)
VIII	Tax Expense				
	a) Current Tax	-	-	-	-
	b) Adjustments relating to earlier years	-	1.29	-	(7.36)
	c) Deferred Tax	380.70	(598.08)	(95.06)	(1,003.51)
	Total Tax (a+b)	380.70	(596.79)	(95.06)	(1,010.87)
IX	Profit/(Loss) from Continuing operations (VII-VIII)	(1,047.46)	(695.18)	(2,023.88)	(6,074.90)
X	Profit/(Loss) from discontinued operations	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-
XII	Profit/(Loss) from discontinued operations after tax (X-XI)	-	-	-	-
XIII	Profit/Loss for the period (IX+XII)	(1,047.46)	(695.18)	(2,023.88)	(6,074.90)
	Attributable to:				
	- Share Holders of the Parent Company	(957.81)	475.63	(1,954.90)	(4,511.66)
	- Non Controlling Interest	(89.65)	(1,170.81)	(68.98)	(1,563.24)
XIV	Other Comprehensive Income (net of tax)				
	A) Items that will not be reclassified to profit or loss				
	(i) Re-measurement gains/(losses) on defined benefit plans	-	47.35	-	47.35
	Amount Not Reclassifiable to P&L	-	-	-	-
	Share of Other Comprehensive Income transferred to Non Controlling Interest	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-
	Share of Profit / (Loss) transferred to Non Controlling Interest	-	-	-	-
	Total Other Comprehensive Income, net of tax	-	47.35	-	47.35
	Attributable to:				
	- Share Holders of the Parent Company	-	47.35	-	47.35
	- Non Controlling Interest	-	-	-	-
XV	Total Comprehensive Income (XIII+XIV)	(957.81)	522.98	(1,954.90)	(4,464.31)
	Attributable to:				
	- Share Holders of the Parent Company	(957.81)	522.98	(1,954.90)	(4,464.31)
	- Non Controlling Interest	(89.65)	(1,170.81)	(68.98)	(1,563.24)
XVI	Paid - up Equity Share Capital (Face value of Rs.1/-)	737.95	737.95	737.95	737.95
XVII	Total Reserves i.e Other equity	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)				
	- Basic and Diluted	(1.30)	0.64	(2.65)	(6.11)

Notes:

- 1 The above results have been reviewed by the Audit Committee at its meeting and approved by the Board of Directors of the Company at its meeting held on August 06th, 2024. The Statutory Auditors have submitted Limited Review Report on the Audited Financial Results for Quarter ended June 30th, 2024.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Consolidated Unaudited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and un terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.
- 4 Figures of previous period have been regrouped / rearranged wherever necessary.

By Order of the Board
For Madhucon Projects Limited



(N. Seetharam)

Managing Director
DIN: 00784491



(J. Samba siva Rao)
Director (F & A)
DIN: 09526475

Place: Hyderabad

Date : August 06, 2024





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Independent Auditor's Review Report On Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review report to
The Board of Directors
Madhucon Projects limited**

1. We have reviewed the accompanying IND AS statement of unaudited consolidated financial results of **Madhucon Projects limited** ("the Holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") for the quarter ended 30th June, 2024 ("the Statement"), being submitted by "the Holding company" pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of "the Holding Company's" Management and approved by "the Holding Company's" Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





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4. "The Statement" includes the results of the following entities:

Subsidiaries

- 1) Madhucon Infra Limited [Includes Subsidiaries (i to ix), mentioned below]
- 2) Madurai Tuticorin Expressways Limited
- 3) Madhucon Mega mall Pvt Ltd
- 4) Nama Hotels Pvt Ltd
- 5) Madhucon Heights Pvt Ltd

Subsidiaries of Madhucon Infra Limited

- i. Madhucon Toll Highways Ltd
- ii. TN (DK) Expressways Ltd
- iii. Chhapra Hajipur Expressways Ltd
- iv. Barasath Krishnagar Expressways Ltd
- v. Ranchi Expressways Ltd
- vi. Vijayawada-Machilipatnam Expressways Limited
- vii. Rajauli- Bakthiyapur Expressways Limited
- viii. Trichy-Thanjavur Expressways Limited
- ix. PT Madhucon Indonesia

5. "Basis for Qualified Conclusion"

A. In the case of "The Holding Company ":

- i. We refer to the carrying value of investments of Rs 1,03,662.52 lakhs held in subsidiaries/other companies and other investments of Rs 5624.18 lakhs held in subsidiaries/other companies, some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and other investments whether any provision for impairment in the value of Equity Investments and other investments is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.

During the quarter ended 30th June, 2024, "The Company" has made provision for Impairment of investment of Rs. 7,637.67 lakhs being 6.25% of the total Investment held in it's subsidiary Madhucon Infra Limited.





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- ii. "The company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 33,369.17 lakhs and Rs 1,871.66 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Further, in case of other banks except in case of Canara bank, OTS agreements have been entered.
- iii. "The Company" has written back Trade Payables amounting to Rs. 3.61 lakhs for the quarter ended 30th June, 2024.
- iv. "The Company" has written back Other Payables (including Interest payable) amounting to Rs 1,072.84 lakhs for the quarter ended 30th June, 2024.
- v. "The Company" has written off advances to Other Parties amounting to Rs. 2.29 lakhs for the quarter ended 30th June, 2024.
- vi. "The Company" has not remitted Tax Deducted at source (TDS) amounting to Rs. 263.71 lakhs for the quarter ended 30th June, 2024.
- vii. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 3.73 lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- viii. The turnover, Output GST and Input GST credits as per the books of account are subject to reconciliation with the GST returns filed.
- ix. Internal Audit has not been conducted for the period 1st April 2024 to 30th June 2024.
- x. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
- xi. SREI Equipment Finance Limited has approved for Restructuring of existing loan dues for a final settlement of Rs. 4,952.00 lakhs, vide its letter dated 02.02.2024. On 28.03.2024 the SREI Equipment Finance Limited filed withdrawal memo seeking leave of this "NCLT" to withdraw the company petition. NCLT by an order dated 28.03.2024 allowed the company petition stands disposed of as withdrawn.





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As per agreed terms & conditions, "The company" has paid upfront payment of 20% of Restructured loan and four instalments, total amounting to Rs. 3,771.40 lakhs as of 30th June, 2024.

- xii. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "The Company" on 11-06-2021 and the investigation is under progress.
- xiii. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs.96.21 Crore and Rs 80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002.
- xiv. In case of **Ranchi Expressways Ltd (REL)** a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CIRP), for a petition filed by State Bank of India. **Ranchi Expressways Ltd (REL)** has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted the next hearing to 10.09.2024.
- Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs and has Trade Receivables of Rs.8,090.43 lakhs in the above step down subsidiary for which provision has not been made.
- xv. In case of **M/s. Trichy-Thanjavur Expressways Limited** subsidiary of Madhucon infra-Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CIRP), against which "The Hon'ble NCLAT" has passed an order and directed the COC to defer its proceedings till next hearing to 30.09.2024.
- Madhucon Projects Limited has made an Investment of Rs.10 lakhs and advances of Rs.42.82 lakhs in the above step down subsidiary for which provision has not been made.
- xvi. In case of **Barasat - Krishnagar Expressways Limited** a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency





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resolution process (CIRP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 21.08.2024.

Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs in the above step down subsidiary for which provision has not been made.

B. In case of Madhucon Infra Limited, a subsidiary:

- i. We refer to the carrying value of investments of Rs 9,071.07 lakhs held in subsidiaries/other companies and Other investments (Unsecured Loans and advances) of Rs 43,855.74 lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and Other investments (Unsecured Loans and advances); whether any provision for impairment in the value of investments and Other investments (Unsecured Loans and advances) is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.
- ii. Has made a provision of Rs. 1,957.96 lakhs for the quarter ended 30th June, 2024, towards impairment on investment in equity and other investments made in its subsidiaries. In the absence of fair valuation of the same, we are unable to comment on the adequacy of the provisions made.
- iii. Has written back loan from related party amounting to Rs.0.02 lakhs during the quarter ended 30th June, 2024.
- iv. Internal Audit has not been conducted for the period from 1st April, 2024 to 30th June, 2024.
- v. In case of **M/s. Trichy-Thanjavur Expressways Limited** subsidiary of Madhucon infra-Limited , "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CIRP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 30.09.2024.

Madhucon Infra Limited has given an advance of Rs. 5,000.35 lakhs to the above subsidiary. Provision for Impairment of Rs. 125.01 lakhs has been made during the quarter 1st April, 2024 to 30th June, 2024.





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- vi. In case of **Ranchi Expressways Ltd (REL)** a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CIRP), for a petition filed by State Bank of India. **Ranchi Expressways Ltd (REL)** has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted the next hearing to 10.09.2024.

Madhucon Infra Limited has given an advance of Rs. 26,668.16 lakhs to the above subsidiary. Provision for Impairment on Investments of Rs. 666.70 lakhs has been made during the quarter 1st April, 2024 to 30th June, 2024 against the said advance in the books of accounts.

Madhucon Infra Limited has an Investment of Rs. 1.60 lakhs in the above subsidiary. Provision for Impairment on Investments of Rs. 0.04 lakhs has been made during the quarter 1st April, 2024 to 30th June, 2024.

- vii. In case of **Barasat - Krishnagar Expressways Limited** a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CIRP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 21.08.2024.

Madhucon Infra Limited has given an advance of Rs. 7,459.50 lakhs to the above subsidiary. Impairment Provision of Rs. 186.49 lakhs was made against the said advance in the books of accounts during the quarter 1st April, 2024 to 30th June, 2024.

Madhucon Infra Limited has an Investment of Rs. 1.60 lakhs in the above subsidiary. Impairment Provision of Rs. 0.04 lakhs was made against the said Investment in the books of accounts during the quarter 1st April, 2024 to 30th June, 2024.

- viii. The Commercial Tax Officer, Circle -1, Nellore issued an VAT penalty order/notice dated 30.04.2021 to Madhucon Infra Limited in the case of contract awarded with Simhapuri energy limited in FY 2014-15. Madhucon Infra Limited has filed a Writ Petition dated 04.11.2023 at "The Hon'ble High Court of Andhra Pradesh".

- ix. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated 24th February,2020. In terms of settlement, OTS amount of Rs.70 Crores was to be paid by the company in three instalments.





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However, the company made total payment of 15.5 crores up to 31st March, 2023 and has represented to IFCI to reduce the OTS amount from Rs 70 Crores to Rs 51 Crores.

Subsequently, IFCI Ltd had approved full and final settlement of dues of Rs. 51 crores to be paid within 9 months vide its letter dated 19th June, 2023. As of 30th June, 2024 The Company has paid Rs. 4,050 lakhs towards settlement of these dues.

C. In case of Madhucon Toll Highways Limited, a subsidiary:

i. We refer to the carrying value of investments of Rs.17,165.11 lakhs held in subsidiaries/other companies and other investments (Unsecured Loans and advances) of Rs. 6,681.66 lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. The Company has made provision for impairment on the basis of internal evaluation. But, in the absence of fair value, we cannot ascertain whether the impairment made is adequate.

ii. In In case of M/s. Trichy-Thanjavur Expressways Limited co - subsidiary of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CIRP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 30.09.2024.

Madhucon Toll Highways Limited has an investment of Rs. 1,532.00 lakhs in Trichy-Thanjavur Expressways Limited . Provision for Impairment on Investments of Rs. 38.30 lakhs was made during the quarter 1st April, 2024 to 30th June, 2024.

iii. In case of Ranchi Expressways Ltd (REL) a co - subsidiary of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CIRP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted the next hearing to 10.09.2024.





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Madhucon Toll Highways Limited has given an advance of Rs. 2,895.23 lakhs in Ranchi Expressways Ltd. During the quarter 1st April, 2024 to 30th June, 2024, impairment provision of Rs. 72.38 lakhs was made against the said advance in the books of accounts.

Madhucon Toll Highways Limited has an investment of Rs. 8,075.00 lakhs in Ranchi Expressways Ltd. Provision for Impairment on Investments of Rs. 201.88 lakhs was made during the quarter 1st April, 2024 to 30th June, 2024.

- iv. In case of Barasat - Krishnagar Expressways Limited a co - subsidiary of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CIRP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing to 21.08.2024.

Madhucon Toll Highways Limited has made advances of Rs. 1,700.00 lakhs in Barasat - Krishnagar Expressways Limited. During the quarter 1st April, 2024 to 30th June, 2024, impairment provision of Rs. 42.50 lakhs was made against the said advance in the books of accounts.

Madhucon Toll Highways Limited has an investment of Rs. 4,335.00 lakhs in Barasat - Krishnagar Expressways Limited. Provision for Impairment on Investments of Rs. 108.38 lakhs was made during the quarter 1st April, 2024 to 30th June, 2024.

- D. In case of Madhucon Heights Private Limited, a subsidiary:

In absence of valuation report of capital work in progress, the realizable value is not ascertainable. However as per the management representation, the case in connection therewith is still pending in the Hon'ble High court of Telangana.

6. Other Matter Paragraph

a) We did not review the interim financial information of one subsidiary and seven Madhucon Infra Limited subsidiaries, included in the consolidated unaudited financial results, whose interim financial statement comprise total assets of Rs.3,43,3447.90 lakhs as at 30th June 2024 and total revenue of Rs.2,699.61 lakhs and, total net loss & total Comprehensive loss of Rs.357.95 lakhs for the quarter ended 30th June 2024 as considered in "the Statement" whose interim IND AS financial results, and other financial information, in





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respect of seven subsidiaries have been reviewed by their respective auditors:

The interim financial statements and other financial information of PT Madhucon Indonesia, a Foreign subsidiary of Madhucon Infra Limited included in "the statement", whose financial statements comprise total assets, of Rs.7,808.93 lakhs as at 30th June 2024, total Revenue of nil, total Loss and total Comprehensive loss of Rs. 187.94 lakhs for the quarter ended 30th June 2024. These interim financials and information have been reviewed by the Management and have been furnished to us.

Our conclusion on "The Statement", in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on financials and information reviewed by the respective auditors/management and the procedures performed by us stated in paragraph 3 above.

b)The comments/observations made in the limited review reports by the respective auditors are reproduced below:

i. Ranchi Expressways Limited

"Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 laneing of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis for a concession period of 15 years. This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period.

The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 crores as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 crores. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement [as informed by the company]. Since project got terminated, Lenders are seeking for One Time





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Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE).

There is a claim from EPC contractor M/s Madhucon Projects Limited for an amount of Rs.798.45 cores against the Arbitration Award by the three members Arbitrators' Tribunal dated 12th April 2023 including the interest.

The NHAI had given the consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim with NHAI. The proceedings of CCIE were commenced on 25-09-2019 as informed by the management. It is also informed that Arbitration Proceedings have also commenced.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the company on 11-6-2021 and the investigation is under progress. It is informed by the management that the land belonging to the company valued at Rs.20.10 lacs [book value] has been seized by the Enforcement Directorate.

Banker, the State Bank of India which Disbursed Loans to the Ranchi Express Way Ltd has filed a petition under IBC Code, 2016 herewith referred as Financial Creditor with the National Company Law Tribunal (Hyderabad Bench-1). The Bench is satisfied that the bank has established an existence of financial debt of sum exceeding one crore rupees payable by the respondent, the Ranchi expressway Limited. In the process, the honorable bench appointed IRP and declared the moratorium under section 14 of IBC Code on 22nd Dec 2023.

Later, Kamma Srinivas Rao, director of the Company, filed an appeal against the order of NCLT (Hyderabad Bench - 1) with the National Company Law Appellate Tribunal - (Chennai Bench). The Honorable NCLAT raised an argument that petition was not maintainable against the Corporate Debtor (Ranchi Express Ways Ltd) in the absence of any specific board resolution passed by the board of directors of financial creditor (State Bank of India). As a result of this, Honorable NCLAT has deferred the impugned order given by NCLT for a period of two weeks from 29.01.24. As a result, the Company is in the position of status quo as before 22nd Dec 2023.





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Cost Incurred on the project up-to previous quarter ended March 31, 2024 was Rs.13,37,94,04,000/-. Cost incurred by the company during the present quarter from April 24 to June 24 was of Rs.18,60,000. Instead of writing-off, Company accounted as Claims receivable under the head "Other Financial Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 13,38,12,64,000/-and understatement of cumulative loss by the same amount.

In view of the above, the termination of the Concession Agreement indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

All the expenses incurred have been shown as claims receivable from NHAI. But as Per Schedule III of Companies Act 2013, Incomes Earned & Expenses incurred should be recognized in the statement of profit & loss. But the Company is treating the Expenses of Professional Charges incurred and Interest on Late Payment of TDS as Receivable from NHAI in the Balance Sheet for the period ended December 31,2023 which is not at par with the requirements of Schedule III of the Companies Act 2013.

Company has not been Complying with the Statutory provisions related to payment of TDS within Due Dates. Company has not paid TDS Amount of Rs.1,86,000 related to April 24 to June 24 quarter related to Professional Charges of Rs.18,60,000. TDS Amount has not been paid till the date of audit report.

Interest on Loans is not provided for during the quarter the period under audit as Company was under NPA Status with respect to those Bank Loans.

Last installment of Rs. 5.68 Crores for OTS with South India Bank was done before 26.06.2023. The total amount paid by the company under OTS was Rs. 17 Crores in full and final settlement. NOC from South Indian Bank was also received on 26.06.2023. The remaining Long term amount from South Indian Bank Rs. 42.56 Crores should be written off as Income from OTS with South Indian Bank.

No provision for taxation, either deferred or present, has been made and NHAI claim receivables are either ascertained or reconciled.





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ii. MADURAI - TUTICORIN EXPRESSWAYS LIMITED

- a. Banks and Financial Institutions have classified outstanding loans as NPAs. Hence, Interest has not been recognized for the year on both long term and short-term outstanding loans.
- c. Receivables and payables are subject to confirmation by the parties and share of gross collections to be deposited with NHAI has not been provided.
- d. The project was terminated by NHAI on 17-3-2023 which indicates that a material uncertainty exists that may cast significant doubt on The Company's ability to continue as a going concern.
- e. Figures in the current year have been re-grouped, re-worked and re-classified. However, such re-classification is not comparable with previous year figures.

iii. Rajauli - Bakhtiyarpur Expressways Limited

- a. Expenses incurred by the company are not recognized in profit and loss account. All these expenditures incurred on the project or others have been shown as claim receivable from NHAI. The same has not yet been ratified and the claim amount has not been reconciled with that of NHAI books.
- b. Banks and Financial Institutions have classified outstanding loans as NPAs. Hence, Interest has not been recognized for the year on both long term and short-term outstanding loans.
- c. Considering the impact of (a) and (b) stated above, it can be inferred that the company is not generating revenue and not recording any corresponding expense, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

iv. TN(DK) Expressways Limited

- a. Banks and Financial Institutions have classified outstanding loans as NPAs. Hence, Interest has not been recognized for the year on both long term and short-term outstanding loans.
- b. Receivables and payables including GST Account are subject to confirmation by the parties and share of gross collections to be deposited with NHAI has not been provided.





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v. **TRICHI - THANJAVUR EXPRESSWAYS LIMITED**

- a. M/s IDBI Bank Limited has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench - 1. The Hon'ble NCLT, Hyderabad Bench - 1 passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, Chennai seeking relief and the Hon'ble NCLAT has given stay on proceedings till 06-03-2024.
- b. The above conditions associated with the outcome of CIRP proceedings indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In view of the above we are unable to obtain sufficient appropriate audit evidence to comment on the adjustment, if any, that may be required to be made and the consequential impact thereof on the accompanying financial statements for the quarter ended 30th June 2024.

vi. **VIJAYAWADA MACHILIPATNAM EXPRESSWAYS LIMITED**

- a. Vijayawada-Machilipatnam Expressways Limited was formed for Design, Build, Finance, Operate and Transfer of 4-laning of Vijayawada-Machilipatnam Section of NH-9 from Km. 0.000 to Km. 63.800 in the state of Andhra Pradesh under NHDP Phase III on Toll basis and to carry on the business of O&M (operation & Maintenance) contracts relating to the road works. NHAI has not handed over the ROW and the project was terminated.

The company is not generating revenue and not recording any corresponding expense, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

- b. On Basis of our examination of Records of the Company, in respect of loans given by the Company to the Holding Company i.e, Madhucon Infra Limited, in our opinion, this transaction is not in compliance with the provisions of Section 185 of the Companies Act, 2013 till the date of our reporting.





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vii. **CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED**

- a. Banks and Financial Institutions have classified outstanding loans as NPAs. Hence, Interest has not been recognized for the year on both long term and short-term outstanding loans.
- b. Revenue has not been recognized in profit and loss account as per prescribed IND AS 115.
- c. With reference to Note 3 stated in the financial statements ,the amount stated as "Project cost" in Non-current Assets amounting Rs. 1,16,868 lakhs as on 30-06-2024 and Rs. 1,16,847.60 lakhs as on 31-03-2024 has not been recognized as per prescribed IND AS 109 and the amount paid on account of road expenses is subject to third party confirmations.

viii. **BARSAT KRISHNAGAR EXPRESSWAYS LTD**

- (i) M/s State Bank of India has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench. The Hon'ble NCLT, Hyderabad Bench passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, seeking relief and the Hon'ble NCLAT has given stay on proceedings till 15-03-2024.
- (ii) The above conditions associated with the outcome of CIRP proceedings indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In view of the above we are unable to obtain sufficient appropriate audit evidence to comment on the adjustment, if any, that may be required to be made and the consequential impact thereof on the accompanying financial statements for the quarter ended June 2024.

Basis for Qualified Conclusion

- a. Expenses incurred by the company are not recognized in profit and loss account. All these expenditures incurred on the project or others have been shown as claim receivable from NHAI. The same has not yet been ratified and the claim amount has not been reconciled with that of NHAI books.
- b. Banks and financial institutions have classified outstanding loans as NPAs. Hence, interest has not been recognized for the year on both long term and short-term outstanding loans.
- c. Considering the impact of (a) and (b) stated above, it can be inferred that the company is not generating revenue and not recording any





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corresponding expense, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

d. As per the arbitral tribunal award dated 05-05-2022, the company is liable to pay the awarded claim to EPC contractor M/s Madhucon Projects Limited amounting Rs.396.06 crores. As this liability, which has been raised due to tribunal award has not been challenged by the company in any forum till date. As a result, the company needs to record the same as Liability in books of accounts.

7. Qualified Conclusion

Based on our review conducted and procedures performed as stated above, except for the possible effects, in respect of matters described in Paragraph 5(A) to 5(D) under Paragraph 5 Basis for *Qualified Conclusion* and Paragraph 6 nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co,
Chartered Accountants
FRN: 007257S


A. Krishna Rao
Partner

M.No. 020085

UDIN: 24020085BKAUQO9408



Place: Hyderabad

Date: 06.08.2024