



Ref.: MPL/FIN/BM/AFR/2023-24

Date: 16-05-2023

To

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

Dear Sirs,

**Sub.: Submission of Audited Standalone and Consolidated Financials for the quarter and year ended 31st March, 2022 along with Auditor's Report.**

Further to our intimation letter, submitted on dated 13<sup>th</sup> May, 2023, we wish to inform you that, the Board has approved the Audited Standalone and Consolidated Financials for the quarter and year ended 31st March 2023, at their Board Meeting held on 16<sup>th</sup> May, 2023.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, statement showing the Audited Standalone and Consolidated Financials for the quarter and year ended 31st March, 2023 along with the statement of Assets & Liabilities, Cash Flow statement and Auditor's Report of the Statutory Auditors are enclosed herewith.

Pursuant to Regulation 33 (3) (d) of the SEBI (LODR) Regulations, 2015, the Board declares that the afore said Auditor's Reports are issued with **modified opinion** by the Statutory Auditors M/s P. Murali & Co., Chartered Accountants. In this regards, please find attached duly signed reply in Annexures with statement for your records.

Meeting of the Board of Directors commenced at 04:00 P.M and concluded at 06:30 P.M.

Kindly take them on record.

Thanking you,  
For **MADHUCON PROJECTS LIMITED**

(D. Malla Reddy)  
Company Secretary & Compliance Officer

Encl: As above.



## MADHUCOM PROJECTS LIMITED

CIN-L74210TG1990PLC011114

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

		(₹ in Lakhs)				
Sl. No	Particulars	Standalone				
		Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	33,201.59	19,543.63	24,891.68	90,080.64	70,614.85
II	Other income	848.17	10,278.76	861.82	13,404.78	1,656.95
III	<b>Total Income (I+II)</b>	<b>34,049.77</b>	<b>29,822.39</b>	<b>25,753.49</b>	<b>1,03,485.42</b>	<b>72,271.80</b>
IV	<b>Expenses:</b>					
	(a) Cost of Materials Consumed	26,721.34	17,683.23	16,722.90	77,911.03	51,899.33
	(b) Employee benefits expense	545.46	491.31	456.67	1,939.41	1,679.16
	(c) Financial Costs	68.70	35.38	35.69	202.97	417.54
	(d) Depreciation and amortisation expense	238.95	121.21	124.90	581.96	478.06
	(e) Other expenses	7,253.68	11,687.02	8,623.35	24,411.64	19,308.89
	<b>Total Expenses</b>	<b>34,828.12</b>	<b>30,018.15</b>	<b>25,963.51</b>	<b>1,05,047.00</b>	<b>73,782.99</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(778.36)</b>	<b>(195.76)</b>	<b>(210.01)</b>	<b>(1,561.58)</b>	<b>(1,511.19)</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(778.36)</b>	<b>(195.76)</b>	<b>(210.01)</b>	<b>(1,561.58)</b>	<b>(1,511.19)</b>
VIII	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-	-	-
	c) Deferred Tax	(1,232.68)	30.46	1,402.39	(2,007.69)	1,870.14
	<b>Total Tax (a+b)</b>	<b>(1,232.68)</b>	<b>30.46</b>	<b>1,402.39</b>	<b>(2,007.69)</b>	<b>1,870.14</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>454.32</b>	<b>(226.22)</b>	<b>(1,612.41)</b>	<b>446.11</b>	<b>(3,381.33)</b>
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-	-
XII	<b>Profit/(Loss) from discontinued operations after tax (X-XI)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIII	<b>Profit/Loss for the period (IX+XII)</b>	<b>454.32</b>	<b>(226.22)</b>	<b>(1,612.41)</b>	<b>446.11</b>	<b>(3,381.33)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XIV	<b>Other Comprehensive Income (net of tax)</b>					
	A) Items that will not be reclassified to profit or loss					
	(i) Re-measurement gains/(losses) on defined benefit plans	43.10	-	19.45	43.10	19.45
	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	-	-	-	-	-
	<b>Total Other Comprehensive Income, net of tax</b>	<b>43.10</b>	<b>-</b>	<b>19.45</b>	<b>43.10</b>	<b>19.45</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>497.42</b>	<b>(226.22)</b>	<b>(1,592.95)</b>	<b>489.21</b>	<b>(3,361.88)</b>
	<b>Attributable to:</b>					
	- 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	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	0.62	(0.31)	(2.18)	0.60	(4.58)

Notes:

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 16th May, 2023 and approved by the Board of Directors of the Company at its meeting held on 16th May, 2023. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2023.
- 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 Audited 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 the Quarter ended 31st March, 2023 and 31st March, 2022 are the balancing figures between the Audited figures in respect of the Full Financial Year and Unaudited published figures upto the Third Quarter for the respective years.
- 5 Figures of previous period have been regrouped / rearranged wherever necessary.



Place: Hyderabad  
Date : May 16, 2023

By order of the Board  
for Madhucon Projects Limited

A handwritten signature in black ink, appearing to read "N. Seethaiah".

(N. Seethaiah)  
Managing Director  
DIN: 00784491

**Madhucon Projects Limited**  
Balance Sheet as at March 31, 2023

( ₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1	3,195.30	3,816.45
<b>(b) Financial Assets</b>			
(i) Investments	2.2	1,39,837.38	1,48,838.38
(ii) Trade Receivables	2.3	7,952.77	7,465.49
(iii) Loans	2.4	12,918.41	25,767.64
(iv) Others Financial Assets	2.5	9,574.37	20,022.04
(c) Deferred tax Asset (Net)	2.6	4,576.05	2,568.36
(b) Other Non-Current Assets	2.7	12,939.80	21,958.73
<b>Total Non-Current Assets</b>		<b>1,90,994.08</b>	<b>2,30,437.09</b>
<b>Current Assets</b>			
(a) Inventories	2.8	210.23	382.43
<b>(b) Financial Assets</b>			
(i) Trade Receivables	2.9	414.15	1,239.02
(ii) Cash and Cash equivalents	2.10	474.41	1,057.89
(iii) Others Financial Assets	2.11	4,842.97	3,843.43
(c) Current Tax Asset (Net)		7,100.79	3,677.21
(d) Other Current Assets	2.12	11,338.95	6,413.00
<b>Total Current Assets</b>		<b>24,381.50</b>	<b>16,612.99</b>
<b>Total Assets</b>		<b>2,15,375.57</b>	<b>2,47,050.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	2.13	740.32	740.32
(b) Other Equity	2.14	52,680.27	52,191.06
<b>Total Equity</b>		<b>53,420.60</b>	<b>52,931.39</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.15	-	-
(ii) Trade Payables	2.16	7,214.26	7,270.58
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.]			
(iii) Other Financial Liabilities	2.17	71.22	73.54
(b) Provisions	2.18	110.56	113.51
(c) Other Non-Current Liabilities	2.19	954.01	1,311.35
<b>Total Non-Current Liabilities</b>		<b>8,350.05</b>	<b>8,768.97</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.20	53,347.94	71,596.48
(ii) Trade Payables	2.21	45,514.38	58,823.21
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than microenterprises and small enterprises.]			
(iii) Other Financial Liabilities	2.22	13,955.78	9,725.76
(b) Other Current Liabilities	2.23	34,713.05	33,293.69
(c) Provisions	2.24	5,246.15	10,598.34
(d) Current Tax Liabilities (Net)		827.64	1,312.26
<b>Total Current Liabilities</b>		<b>1,53,604.93</b>	<b>1,85,349.72</b>
<b>Total Equity and Liabilities</b>		<b>2,15,375.57</b>	<b>2,47,050.08</b>

The accompanying notes are an integral part of the standalone financial statements  
As per our reported even date annexed



For and on behalf of the Board

  
(N. Seethaiah)  
Managing Director  
DIN-00784491

Place : Hyderabad  
Date : May 16, 2023

## Madhucon Projects Limited

Standalone Cash Flow Statement for the Year ended March 31, 2023

(All the amounts are in lakhs except "No of Shares" , "Face value of Equity share" and Earning per share)

(' ₹ in Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit/(loss) before income tax	(1,561.58)	(1,511.19)
Adjustments for:		
Exceptional Item	-	-
Depreciation and amortisation expense	581.96	478.06
Dividend and interest income classified as investing cash flows	(36.75)	(113.86)
Finance costs	202.97	417.54
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	337.60	(674.91)
(Increase) decrease in inventories	172.20	934.24
(Increase)/decrease in other financial assets	9,448.12	5,607.38
(Increase)/decrease in other current and non-current assets	669.40	6,133.18
Increase/(decrease) in Loans	12,849.23	658.81
Increase/(decrease) in trade payables	(13,365.15)	(8,902.62)
Increase/(decrease) in other financial liabilities	(1,084.33)	7,702.14
Increase/(decrease) in other current and non-current liabilities	577.40	(8,823.67)
Increase/(decrease) in Non current Investments	9,001.00	-
<b>Cash generated from operations</b>	<b>17,792.07</b>	<b>1,905.09</b>
Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>17,792.07</b>	<b>1,905.09</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant and equipment	39.20	33.36
Payments for purchase of investments	-	-
Dividend paid	-	-
Interest received	36.75	113.86
<b>Net cash outflow from investing activities</b>	<b>75.95</b>	<b>147.22</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	-	(13.53)
Proceeds from short term borrowings (net)	(18,248.54)	(1,574.82)
Interest paid	(202.97)	(417.54)
<b>Net cash outflow from financing activities</b>	<b>(18,451.51)</b>	<b>(2,005.90)</b>
Net increase/(decrease) in cash and cash equivalents	(583.49)	46.42
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1,057.89</b>	<b>1,011.48</b>
<b>Cash and cash equivalents at end of the year</b>	<b>474.41</b>	<b>1,057.89</b>
Reconciliation of cash and cash equivalents as per the cash flow statement		
	<b>31 March, 2023'</b>	<b>31 March, 2022'</b>
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	474.41	1,057.89
<b>Balances per statement of cash flows</b>	<b>474.41</b>	<b>1,057.89</b>

The accompanying notes are an integral part of the standalone financial statements In terms of our report attached

For and on behalf of the Board



*(Handwritten Signature)*

(N. Seethaiah)  
Managing Director  
DIN-00784491

Place: Hyderabad  
Date : May 16, 2023

**ANNEXURE I**

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along - with Annual Audited Financial Results - Standalone

Rs. In Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

(Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)


I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	1,03,485.42	Not Ascertainable
	2	Total Expenditure	1,05,047.00	Not Ascertainable
	3	Net Profit/(Loss)	448.11	Not Ascertainable
	4	Earnings Per Share	0.60	Not Ascertainable
	5	Total Assets	2,15,375.57	Not Ascertainable
	6	Total Liabilities	1,61,954.98	Not Ascertainable
	7	Net Worth	53,420.60	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)		

**II Audit Qualification (each audit qualification separately)**

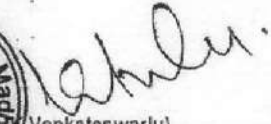
a	Details of Audit Qualification: Separate sheet of replies enclosed
b	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
c	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing
d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
e	For Audit Qualification(s) where the impact is not quantified by the auditor:
i	Management's estimation on the impact of audit qualification: Not Ascertainable
ii	If management is unable to estimate the impact, reasons for the same: Not Ascertainable
iii	Auditors' Comments on (i) or (ii) above: Not Ascertainable


**III Signatories:**

For Madhucon Projects Limited


  
(Seemadri Nama)  
Managing Director  
DIN: 00784491

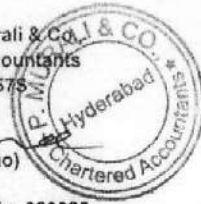


  
Venkateswarlu  
Chief Financial Officer

  
(Ramadas Kasarneni)  
Chairman of Audit Committee  
DIN: 02182093

For M/s P. Murali & Co.  
Chartered Accountants  
FRN No. 0072575

  
(A. Krishna Rao)  
Partner  
Membership No. 020085





**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

**Independent Auditor's Report on Quarterly and Year to Date Audited  
Standalone Financial Results of the Company Pursuant to the Regulation  
33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015, as amended.**

To  
The Board of Directors,  
M/S. MADHUCON PROJECTS LIMITED

**Report on the audit of the Standalone Ind AS Financial Results**

**Qualified Opinion:**

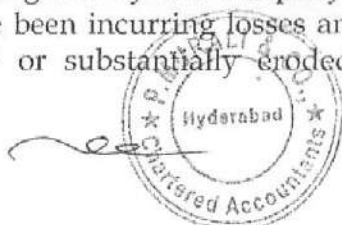
We have audited the accompanying standalone quarterly financial results of M/S. MADHUCON PROJECTS LIMITED ("the Company") for the quarter ended 31st March, 2023 and the year to date results for the period from 01-04-2022 to 31-03-2023, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("The Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the Net Loss and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March, 2023 as well as the year to date results for the period from 01-04-2022 to 31-03-2023.

**Basis for Qualified Opinion:**

1. We refer to the carrying value of investments of Rs 1,34,212.99 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 5624.18 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





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

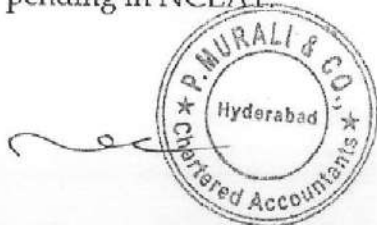
Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.p murali.com

comment upon the carrying value of investments and loans & advances whether any provision for impairment in the value of investments and loans & advances is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.

2. "The Company "has written back Trade Payables amounting to Nil and Rs 10,001.95 lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
3. "The Company "has written back Other Payables amounting to Rs 873.94 lakhs and Rs 1,211.82 lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
4. "The Company "has written off loans , advances and other Investments from Related Parties amounting to Rs 4,306.13 Lakhs and Rs 18,530.32 Lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
5. "The Company "has written off advances from Other Parties amounting to Rs 2,298.31 Lakhs and Rs 3,446.54 Lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
6. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
7. "The company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 48,839.25 lakhs and Rs 4,508.69 lakhs respectively as per books of account and the same were classified as NPA by the lenders . Interest on these loans have not been provided for the FY 2018-19 to FY 2022-23. However Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account and the effect of same has not been quantified and as such the impact of the same on profitability could not be ascertained.

Balance Confirmation in respect of the loans from banks have not been obtained.

8. As per note in financial statement, In case of one Financial Creditor, Petition is pending in NCLAT.







## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

9. Undisputed Statutory dues in case of following are outstanding carried from previous Year:

S.No.	Name of the Status	Nature of Due	Period	Rs. in Lakhs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	139.93
2	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	93.65
3	Value Added Tax	VAT payable	2013-14 to 2017-18	9.77
4	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42

10. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 104.51 Lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.

11. The turnover and input credits as per the books of account are subject to reconciliation with the GST returns filed.

12. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023. Internal auditor has not been appointed for the period from October 2022.

13. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.

14. The Company" has given a Bank Guarantee for Rs 1,224.33 Lakhs on behalf of its step-down subsidiary "Vijayawada-Machilipatnam Expressways Limited" in favor of NHAI and the same was invoked in FY 2014-15 by NHAI. The Company has accounted the invoked amount as receivable from "Vijayawada-Machilipatnam Expressways Limited" and subsequently "The Company" has written off the same by charging it to "Statement of Profit and Loss" in FY 2015-16.

Consequent to receipt of claims on arbitration by "Vijayawada-Machilipatnam Expressways Limited", an amount of Rs 1,955.00 lakhs was paid by "Vijayawada-Machilipatnam Expressways Limited" to "The Company", against the invocation of Bank Guarantee, which is offered as income during the quarter ending 30-06-2022.

15. 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.





## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

16. 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. Further investigation is going on.
17. In the absence of confirmations of Trade payables, Trade Receivables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
18. Balance confirmation of current accounts, which have become Dormant, are not obtained in case of Bank Branches at various project sites.

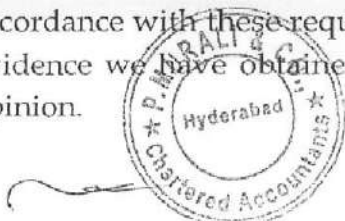
### **Matters Relating to Going Concern**

"The Company's" current liabilities exceeded current assets and "The Company" has defaulted in payment of dues to banks, all these indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of implementation of OTS agreements already entered into in case of some banks, and its continuing discussions with its lenders to obtain approval for and an appropriate debt resolution plan and also, that "The company" will continue to be in operation in the foreseeable future.

### **Emphasis of Matter**

"The Company" has offered Rs. 259.60 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





**P. MURALI & CO.,**  
CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

### **Management's Responsibilities for the Standalone Financial Results**

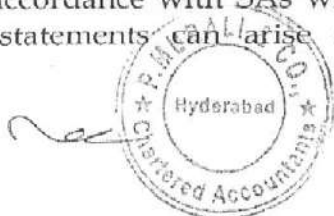
These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

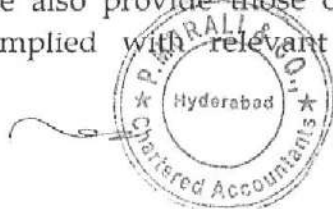
individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to





**P. MURALI & CO.,**


CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Financial Results include the results for the quarter ended 31<sup>st</sup> March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

For P. Murali & Co,  
Chartered Accountants,  
Firm's Registration No: 007257S

  
A Krishna Rao  
Partner

Membership No: 020085  
UDIN: 23020085 BGQ X FV3425



Place: Hyderabad  
Date: 16-05-2023

MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Sl. No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
	<b>PART-I</b>					
I	Revenue from Operations	44,540.85	23,096.66	34,229.83	1,16,230.46	94,814.79
II	Other income	72,745.23	12,472.55	7,285.60	90,153.51	11,745.99
III	<b>Total Income (I+II)</b>	<b>1,17,286.08</b>	<b>35,569.21</b>	<b>41,515.43</b>	<b>2,06,383.97</b>	<b>1,06,560.78</b>
IV	<b>Expenses:</b>					
	(a) Cost of Materials Consumed	36,989.47	21,675.98	25,858.09	1,03,075.48	73,573.07
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	986.05	-	934.24
	(c) Employee benefits expense	793.44	732.01	1,002.02	2,996.83	2,920.22
	(d) Financial Costs	2,523.17	718.57	(1,233.55)	4,712.18	3,137.00
	(e) Depreciation and amortisation expense	66,159.45	6,025.26	3,509.06	79,893.93	14,094.98
	(f) Other expenses	21,687.81	11,173.28	13,869.21	35,419.63	23,730.70
	<b>Total Expenses</b>	<b>1,28,153.34</b>	<b>40,525.10</b>	<b>43,990.88</b>	<b>2,26,098.25</b>	<b>1,18,390.21</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(10,867.26)</b>	<b>(4,955.89)</b>	<b>(2,475.45)</b>	<b>(19,714.28)</b>	<b>(11,829.43)</b>
VI	<b>Exceptional Items</b>					
	Provision for Impairment on Investments	-	-	-	-	-
	Share of (Loss) from Associate Company	(35.91)	26.14	982.39	-	982.39
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(10,903.17)</b>	<b>(4,929.75)</b>	<b>(1,493.06)</b>	<b>(19,714.28)</b>	<b>(10,847.04)</b>
VIII	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	8.91	-	-	8.91	-
	c) Deferred Tax	(1,232.68)	30.47	1,402.39	(2,007.69)	1,870.14
	<b>Total Tax (a+b)</b>	<b>(1,223.77)</b>	<b>30.47</b>	<b>1,402.39</b>	<b>(1,998.78)</b>	<b>1,870.14</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>(9,679.40)</b>	<b>(4,960.22)</b>	<b>(2,895.45)</b>	<b>(17,715.50)</b>	<b>(12,717.18)</b>
X	<b>Profit/(Loss) from discontinued operations</b>	-	-	-	-	-
XI	<b>Tax Expense of discontinued operations</b>	-	-	-	-	-
XII	<b>Profit/(Loss) from discontinued operations after tax (X-XI)</b>	-	-	-	-	-
XIII	<b>Profit/Loss for the period (IX+XII)</b>	<b>(9,679.40)</b>	<b>(4,960.22)</b>	<b>(2,895.45)</b>	<b>(17,715.50)</b>	<b>(12,717.18)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	(7,737.17)	(4,290.01)	(2,563.05)	(14,369.91)	(10,634.51)
	- Non Controlling Interest	(1,942.23)	(670.21)	(332.41)	(3,345.59)	(2,082.68)
XIV	<b>Other Comprehensive Income (net of tax)</b>					
	A) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(i) Re-measurement gains/(losses) on defined benefit plans	43.10	-	19.45	43.10	19.45
	Amount Not Reclassifiable to P&L	-	-	(1.96)	-	(1.96)
	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	-	-	-	-	-
	<b>Total Other Comprehensive Income, net of tax</b>	<b>43.10</b>	<b>-</b>	<b>17.49</b>	<b>43.10</b>	<b>17.49</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	43.10	-	17.49	43.10	17.49
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>(7,694.07)</b>	<b>(4,290.01)</b>	<b>(2,545.56)</b>	<b>(14,326.81)</b>	<b>(10,617.02)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	(7,694.07)	(4,290.01)	(2,545.56)	(14,326.81)	(10,617.02)
	- Non Controlling Interest	(1,942.23)	(670.21)	(332.41)	(3,345.59)	(2,082.68)
XVI	Paid - up Equity Share Capital (Face value of Rs.1/- each)	737.95	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	(10.48)	(5.81)	(3.47)	(19.47)	(14.41)

Notes:

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 16th May, 2023 and approved by the Board of Directors of the Company at its meeting held on 16th May, 2023. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2023.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments
- 3 The Consolidated Audited 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 The figures for the Quarter ended 31st March, 2023 and 31st March, 2022 are the balancing figures between the Audited figures in respect of the full Financial Year and Unaudited published figures upto the Third Quarter for the respective years.
- 5 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad  
Date : May 16, 2023



By Order of the Board  
For Madhucon Projects Limited

A handwritten signature in black ink, appearing to read "N. Seethaiah".

(N. Seethaiah)  
Managing Director  
DIN: 00784491

**MADHUCON PROJECTS LIMITED**  
Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

	Note No.	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2.1	5,261.33	10,267.39
Capital Work-in-Progress	2.1	8,708.53	15,013.41
Intangible Assets	2.1a	-	57,400.81
(v) Intangible Assets under Development		14,449.22	40,002.45
Investment Properties		-	41.36
<b>Financial Assets</b>			
Investments	2.2	54.58	75,338.03
Trade Receivables	2.3	-	53.24
Loans	2.4	15.31	1,041.45
Others Financial Assets	2.5	1,13,224.68	1,09,676.25
Deferred Tax Assets (Net)	2.4	4,576.05	2,568.36
Other Non-Current Assets	2.6	15,838.41	22,276.66
<b>Total Non-Current Assets</b>		<b>1,62,128.11</b>	<b>3,33,679.41</b>
<b>Current Assets</b>			
Inventories	2.7	372.83	553.59
<b>Financial Assets</b>			
Investments		-	64.78
Trade Receivables	2.8	507.18	1,569.89
Cash and Cash Equivalents	2.9	8,238.12	9,498.55
Bank Balances other than above	2.10	-	2,035.35
Loans	2.11	609.73	174.51
Others Financial Assets	2.12	1,96,743.55	1,83,502.26
Current Tax Asset (Net)	2.13	7,396.12	4,300.47
Other Current Assets	2.14	34,977.30	14,965.36
<b>Total Current Assets</b>		<b>2,48,844.83</b>	<b>2,16,664.76</b>
<b>Total Assets</b>		<b>4,10,972.94</b>	<b>5,50,344.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2.15	740.32	740.32
Other Equity	2.16	(1,92,690.36)	(2,10,524.08)
Less : Profit / (Loss) from Associates		-	982.39
Equity Attributable to Shareholders of the Company			
Non-Controlling Interests		(1,91,950.04)	(2,08,801.37)
<b>Total Equity</b>		<b>(43,769.41)</b>	<b>(12,211.26)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.17	1,66,367.26	2,34,265.00
Trade Payables	2.18	7,214.44	7,274.61
Other Financial Liabilities	2.19	2,148.69	1,707.94
Provisions	2.20	17,259.98	38,639.82
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities	2.21	954.01	1,311.35
<b>Total Non-Current Liabilities</b>		<b>1,93,944.38</b>	<b>2,83,198.72</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.22	1,55,530.65	1,32,650.65
Trade Payables	2.23	45,737.13	59,720.67
Other Financial Liabilities	2.24	1,26,571.88	72,972.06
Other Current Liabilities	2.25	80,216.00	79,772.30
Provisions	2.26	43,854.38	1,41,728.62
Current Tax Liabilities (Net)		837.97	1,313.80
<b>Total Current Liabilities</b>		<b>4,52,748.01</b>	<b>4,88,158.10</b>
<b>Total Equity and Liabilities</b>		<b>4,10,972.94</b>	<b>5,50,344.18</b>

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

For and on behalf of the Board



*(Handwritten Signature)*

(N. Seethaiah)  
Managing Director  
DIN 00784491

Place : Hyderabad  
Date : May 16, 2023



## Madhucon Projects Limited

Consolidated Cash Flow Statements for the year ended March 31st, 2023

(₹ in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flow from operating activities</b>		
<b>(Loss) / Profit before tax</b>	<b>(19,714.27)</b>	<b>(10,847.04)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	79,893.93	14,094.98
Dividend Income	(0.08)	(0.77)
Interest Income	(138.07)	(129.46)
Exceptional Items	-	-
Finance costs	4,712.18	3,137.00
	<b>84,467.96</b>	<b>17,101.75</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>64,753.70</b>	<b>6,254.71</b>
<b>Change in Working Capital</b>		
(Increase)/decrease in Trade Receivables	1,115.95	(723.88)
(Increase)/decrease in Inventories	180.76	925.68
(Increase)/decrease in Other Financial Assets	(16,789.71)	(32,782.76)
(Increase)/decrease in Other Current and Non-Current Assets	(16,669.35)	4,776.62
Increase/(decrease) in short term borrowings (net)	22,880.01	(1,267.61)
Increase/(decrease) in Trade Payables	(14,043.69)	(8,582.71)
Increase/(decrease) in Other Financial Liabilities	54,040.55	2,681.63
Increase/(decrease) in Other Current and Non-Current Liabilities	(1,19,609.05)	42,360.39
<b>Cash generated from operations</b>	<b>(24,140.84)</b>	<b>13,642.07</b>
Income taxes paid	-	(9,530.26)
<b>Net cash from operating activities</b>	<b>(24,140.84)</b>	<b>23,172.34</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment including CWIP	14,368.98	(555.33)
Change in other equity	3,008.67	(13,912.09)
Changes in Investments	75,348.23	-
(Increase) / decrease in other bank balances	2,035.35	(1,456.29)
Dividend Received	0.08	0.76
Interest Received	138.07	129.46
<b>Net cash used in investing activities</b>	<b>94,899.38</b>	<b>(15,793.49)</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	(67,897.73)	(1,190.30)
Increase/(decrease) in Loans	590.94	(13.26)
Interest paid	(4,712.18)	(3,137.00)
<b>Net cash used in financing activities</b>	<b>(72,018.97)</b>	<b>(4,340.56)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,260.43)</b>	<b>3,038.29</b>
Cash and cash equivalents at the beginning of the financial year	9,498.55	6,460.25
<b>Cash and cash equivalents at end of the year</b>	<b>8,238.12</b>	<b>9,498.54</b>
<b>Reconciliation of cash and cash equivalents as per with the Balance Sheet</b>	<b>8,238.12</b>	<b>9,498.55</b>
<b>Cash and Cash Equivalents end of the Year</b>	<b>8,238.12</b>	<b>9,498.55</b>

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

For and on behalf of the Board



*(Signature)*

(N. Seethaiah)

Managing Director

DIN-00784491



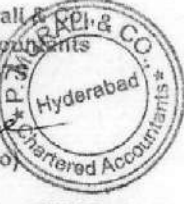
Place : Hyderabad

Date : May 16, 2023

**ANNEXURE 2**

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along - with Annual Audited Financial Results - Consolidation

(₹ In Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 (Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	2,06,383.97	Not Ascertainable
	2	Total Expenditure	2,26,098.25	Not Ascertainable
	3	Net Profit/(Loss)	(17,715.50)	Not Ascertainable
	4	Earnings Per Share	(19.47)	Not Ascertainable
	5	Total Assets	4,10,972.94	Not Ascertainable
	6	Total Liabilities	6,46,592.39	Not Ascertainable
	7	Net Worth	(2,35,719.45)	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)		
<b>II Audit Qualification (each audit qualification separately)</b>				
	a	Details of Audit Qualification: Separate sheet of replies enclosed		
	b	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		
	d	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		
	e	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	i	Management's estimation on the impact of audit qualification: Not Ascertainable		
	ii	If management is unable to estimate the impact, reasons for the same: Not Ascertainable		
	iii	Auditors' Comments on (i) or (ii) above: Not Ascertainable		
<b>III Signatories:</b>				
		For <del>Seethaiah Nama</del> Projects Limited (Seethaiah Nama) Managing Director DIN: 00784491	 (K.Venkateswarlu) Director cum CFO DIN: 09713108	 (Ramadas Kasarneni) Chairman of Audit Committee DIN: 02182093
		For M/s P. Murali & Co. Chartered Accountants FRN No. 0072573 (A. Krishna Rao) Partner Membership No. 020085		



**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

**Independent Auditor's Report on Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To  
The Board of Directors  
M/S. MADHUCON PROJECTS LIMITED

**Report on the audit of the Consolidated Ind AS Financial Results**

### 1. Qualified opinion

We have audited the accompanying statement of consolidated financial results (the statement) of M/S MADHUCON PROJECTS LIMITED ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries referred to as, 'the Group') , for the quarter ended 31st March 2023 and for the period from 01-04-2022 to 31-03-2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Requirements").

This Statement which is the responsibility of the Holding Company's management and have been approved by the Board of Directors of the Holding Company, has been compiled from related consolidated financial statements which have been prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; Our responsibility is to express an opinion on the consolidated Ind AS financial statements as at and for the quarter ended 31st March 2023 and for the period from 01-04-2022 to 31-03-2023; and the relevant requirements of Regulation 33 Of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Requirements").

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on subsidiaries and stepdown subsidiaries of the Group referred to in below Paragraph 3 and except for the possible effects of the matters described in below paragraph 3, the year to date consolidated financial statement:

- i) Includes the results of the entities listed in Annexure-1,
- ii) Are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Requirements") and
- iii) Except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, give a true and fair view in conformity with the aforesaid Indian Accounting standards and other accounting principles generally accepted in India of the consolidated loss and total comprehensive income and other financial information of "the group" for the quarter ended 31st March 2023 and for the year ended March 31, 2023.

### 2. Basis for Qualified Opinion

- a) In case of the "Holding Company", matters as reported in the Standalone Financials, are reproduced below:
  - i. We refer to the carrying value of investments of Rs 1,34,212.99 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 5624.18 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 loans & advances whether any provision for impairment in the value of investments and loans & advances is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.
  - ii. "The Company" has written back Trade Payables amounting to Nil and Rs 10,001.95 lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
  - iii. "The Company" has written back Other Payables amounting to Rs 873.94 lakhs and Rs 1,211.82 lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.





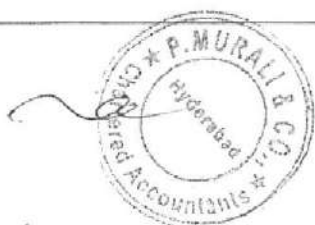
## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

- iv. "The Company "has written off loans, advances and other Investments from Related Parties amounting to Rs 4,306.13 Lakhs and Rs 18,530.32 Lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- v. "The Company "has written off advances from Other Parties amounting to Rs 2,298.31 Lakhs and Rs 3,446.54 Lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- vi. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- vii. "The company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 48,839.25 lakhs and Rs 4,508.69 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Interest on these loans have not been provided for the FY 2018-19 to FY 2022-23. However, Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account and the effect of same has not been quantified and as such the impact of the same on profitability could not be ascertained.
- Balance Confirmation in respect of the loans from banks have not been obtained.
- viii. As per note in financial statement, in case of one financial creditor, Petition is pending in NCLAT.
- ix. Undisputed Statutory dues in case of following are outstanding carried from previous Year:

S.No.	Name of the Status	Nature of Due	Period	Rs. in Lakhs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	139.93
2	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	95.73
3	Value Added Tax	VAT payable	2013-14 to 2017-18	9.77
4	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42



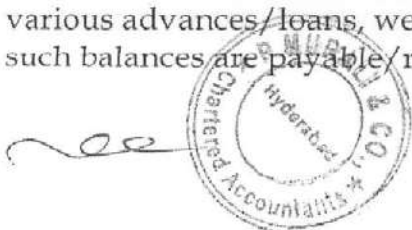


## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

- x. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 104.51 Lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act,2013.
- xi. The turnover and input credits as per the books of account are subject to reconciliation with the GST returns filed.
- xii. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023. Internal auditor has not been appointed for the period from October 2022.
- xiii. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
- xiv. The Company" has given a Bank Guarantee for Rs 1,224.33 Lakhs on behalf of its step-down subsidiary "Vijayawada-Machilipatnam Expressways Limited" in favor of NHAI and the same was invoked in FY 2014-15 by NHAI. The Company has accounted the invoked amount as receivable from "Vijayawada-Machilipatnam Expressways Limited" and subsequently "The Company" has written off the same by charging it to "Statement of Profit and Loss" in FY 2015-16.  
  
Consequent to receipt of claims on arbitration by "Vijayawada-Machilipatnam Expressways Limited", an amount of Rs 1,955.00 lakhs was paid by "Vijayawada-Machilipatnam Expressways Limited" to "The Company", against the invocation of Bank Guarantee, which is offered as income during the quarter ending 30-06-2022.
- xv. 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.
- xvi. 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. Further investigation is going on.
- xvii. In the absence of confirmations of Trade Payables, Trade Receivables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

xviii. Balance confirmation of current accounts, which have become Dormant, are not obtained in case of Bank Branches at various project sites.

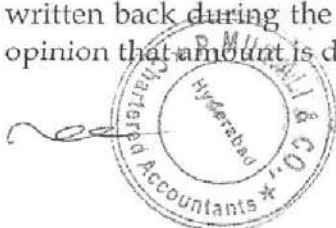
### Matters Relating to Going Concern

"The Company's" current liabilities exceeded current assets and "The Company" has defaulted in payment of dues to banks, all these indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of implementation of OTS agreements already entered into in case of some banks, and its continuing discussions with its lenders to obtain approval for and an appropriate debt resolution plan and also, that "The company" will continue to be in operation in the foreseeable future.

### Emphasis of Matter

"The Company" has offered Rs. 259.60 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.

- b) In case of subsidiary- "Madhucon Infra limited", the matters as reported in the standalone financials are reproduced below:
- We refer to the carrying value of investments of Rs 16,008.20 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 51,966.08 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 loans & advances and whether any provision for impairment in the value of investments and loans & advances is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.
  - Loan from Financial Creditor amounting to Rs 1057.91 lakhs is written back during the year offering it as income, as the management is of the opinion that amount is due from long time and is no longer payable.
  - Loan from Ramky Enviro Engineers Limited amounting to Rs 570.66 lakhs is written back during the year offering it as income, as the management is of the opinion that amount is due from long time and is no longer payable.





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

- iv. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated February 24th,2020. In terms of settlement, OTS amount of Rs.70 Crores was to be paid by the company in three instalments. 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 and the proposal is under process with IFCI.
- v. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023.
- vi. Balances as at 31 March,2023 in respect of certain Debtors and Creditors in case of some of the subsidiaries are subject to Confirmation and Reconciliation.
- vii. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs 17.49 lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act,2013.
- viii.
  - a) Investments in Simhapuri Energy Limited amounting Rs 74,300.06 lakhs has been written off during the year, for which provision of 100% already made in earlier years.
  - b) Investments in Trichy-Thanjavur Expressways Limited amounting Rs 3,519.32 lakhs has been written off during the year, for which provision of Rs 528.05 lakhs already made in earlier years.
  - c) Investments in Madhucon Toll Highways Limited amounting Rs 29,306.77 lakhs has been written off during the year, for which provision of Rs 4,396.02 lakhs already made in earlier years.

### Matters Relating to Going Concern

Madhucon Infra Limited, which is a subsidiary to "the company", has accumulated losses and also, current liabilities exceeded current assets and the company has defaulted in respect of installments and interest on loans and debentures, affecting the company's ability to continue as a going concern. However in view of what is stated in the note, the management believes that the use of going concern assumption is still appropriate and that the subsidiary will continue to be in operation in the foreseeable future.







## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

- c) In case of subsidiary- "Madhucon Mega Mall Private Limited", the matters as reported in the standalone financials are reproduced below:
- Has written off capital work in progress amounting to Rs 3,577.47 Lakhs.
  - Has written back deemed equity amounting to Rs 3,500.00 Lakhs.

### Matters Relating to Going Concern

Madhucon Mega Mall Private Limited, which is a subsidiary to "the company", the accumulated losses have completely eroded the Net worth of the company. The Subsidiary have suffered recurring Losses. The accounts of the subsidiary have been prepared on the basis of going concern assumption. However, the eroded Net worth will significantly affects these subsidiary's ability to continue as a going concern unless it raises capital in order to fund the operations.

- d) In case of subsidiary- "Nama Hotels Private Limited", the matters as reported in the standalone financials are reproduced below:
- Has written back deemed equity amounting to Rs 5,500.00 Lakhs.
  - Has written off capital work in progress amounting to Rs 6,890.33 Lakhs.
- e) In case of subsidiary- "Madhucon Heights Private Limited", the matters as reported in the standalone financials are reproduced below:
- Has settled outstanding amount of Rs 9,047.76 lakhs under OTS with Axis Bank.
- f) In case of subsidiary- "Madhucon Toll Highways Limited", the matters as reported in the standalone financials are reproduced below:
- We refer to the carrying value of investments of Rs 22,069.42 lakhs held in subsidiaries/ other companies and unsecured loans and advances of Rs 8,590.71 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 loans & advances whether any provision for impairment in the value of investments and loans & advances is required; and the effect of same upon the profitability could not be ascertained in the absence of fair valuation.

### 3. Other Matter Paragraph:

- a) We did not audit the financial statements and other financial information of one subsidiary, seven step down subsidiaries included in the statement, whose financial statements together comprise total assets, before elimination, of Rs.3,52,355.05 Lakhs as at March 31, 2023, total Revenue of Rs. 55,507.07 Lakhs and Rs. 76,273.66 Lakhs





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

and total Loss & total Comprehensive Income of Rs. 20,681.81 Lakhs and 31,435.13 Lakhs for the quarter ended 31<sup>st</sup> March 2023 and for the period from 01-04-2022 to 31-03-2023 respectively. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.

- b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign stepdown subsidiary of the company included in the statement, whose financial statements comprise total assets, before elimination, of Rs. 6189.13 Lakhs as at March 31, 2023, total Revenue of Nil and Rs 5.76 Lakhs and total Loss & total Comprehensive of Rs. 547.60 Lakhs and 2,713.31 Lakhs for the quarter ended 31<sup>st</sup> March 2023 and for the period from 01-04-2022 to 31-03-2023. The Financial statements / financial information of this company are unaudited and 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 this Foreign step down subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far it relates to the aforesaid stepdown subsidiary, is based solely on such unaudited financial statements / financial information.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The "Opinion"/" Emphasis of Matter Paragraph"/" Report on Other Legal and Regulatory Requirements" in such audit reports are reproduce below:

### a) Barasat-Krishnagar Expressways Limited ('BKEL')

#### Material Uncertainties Relating to Going Concern

Barasat - Krishnagar Expressways Limited (BKEL) was formed for undertaking the work of Four Laning of Barasat - Krishnagar Section of NH- 34 (km. 31.000 to km. 115.000) on Design, Build, Finance, Operation & Maintenance and Transfer (DBFOT-Annuity) basis. As per clause No.10.3.1 of Concession Agreement, at the time of declaration of appointed date NHAI has to handover 80% of Right of Way to the Concessionaire. But even after 36 months NHAI has not handed over 80% of Right of Way and only 52.36% of Right of Way was handed over to the Concessionaire. Hence the Company has terminated the Contract on 31<sup>st</sup> December, 2015 as NHAI was not able to provide ROW. The company and NHAI then entered into a Supplementary Agreement to the Concession Agreement dated 20<sup>th</sup> June, 2011 on 2<sup>nd</sup> May, 2016 for adjudication of disputes through Arbitration under the Rules of 'The Society for Affordable Redressal of Disputes' (SAROD). NHAI also subsequently issued notice for termination of the Contract vide its letter dated 3<sup>rd</sup> May, 2016 and seized all the project assets of BKEL on 12<sup>th</sup> May, 2016.





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

### Emphasis of Matter

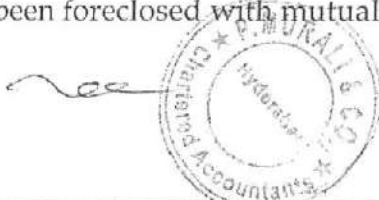
- i. We draw attention to note no. 1 in the financial statements 'The construction work is delayed due to pending approvals and right of way to be provided by NHAI. The Company had issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI had also issued notice for terminations of the project vide its letter dated 3rd May, 2016 and the company had replied that the notice is not valid. Both Company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.
- ii. The borrowings from secured lenders have been declared as non-performing assets by the lender. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. The cost incurred on the project till the closure of the financials dated 31-03-2023 is Rs. 5,82,40,91,720/-. The amount has been accounted as 'NHAI Claim Receivables' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss.

Our opinion is not modified in respect of these matters.

### b) Rajauli-Bakhtiyarpur Expressways Limited ('RBEL')

#### Material Uncertainty related to Going Concern

We draw attention to Note no 25 of the standalone financial statements, which indicates that the project awarded to M/s Rajauli - Bakhtiyarpur Expressways Limited by Bihar State Road Development Corporation Limited (BSRDC) with a Concession Period of 30 years which included a construction period of 30 months has been foreclosed with mutual consent due to the non-handling over of Right Of Way





**P. MURALI & CO.,**  
CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

(ROW) as per terms of the Contract by BSRDC. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

#### **Emphasis of Matter**

- i. The cost incurred on the project till the closure of the financials dated 31-03-2023 is Rs. 8,16,82,083/-. The amount has been accounted as 'Claims Receivable from BSRDC against Expenditure incurred on the project' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss.
- ii. We draw attention to Note 27 to the Standalone financial statements, the company has approached BSRDC by invoking arbitral clause to initiate arbitration proceedings for the expenses incurred for the project. As informed and explained to us, statement of claims was initially filed on 04-03-2020 with BSRDC. The arbitration proceedings are currently in progress.

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

#### **c) Madurai Tuticorin Expressways Limited (MTEL)**

##### **Material Uncertainty related to Going Concern**

We draw attention to Note no. 49 of the standalone financial statements, which states that the project awarded to M/s Madurai-Tuticorin Expressways Limited has been terminated by NHAI on 17-03-2023 though company has commenced Periodic Maintenance works and its obligations. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.





## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

### **Emphasis of Matter**

- i. As detailed in Note 48 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced.
  - ii. As detailed in Note 2.09 to the Standalone financial statements, company has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
  - iii. As detailed in Note 52 to the Standalone financial statements, since the contract has been terminated:
    - Fixed Assets and Intangible Assets have been completely written off;
    - Provisions created for Operations and Maintenance have been reversed;
    - Capital grant Income has been recognized in full.
- As a result, there is a significant impact on the financial statements and its ratios.
- iv. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

### **d) Vijayawada-Machilipatnam Expressways Limited**

#### **Material Uncertainties Relating to Going Concern**

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.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.





## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

### **e) TN (DK) Expressways Limited**

#### **Emphasis of Matter**

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The arbitration is currently in progress.
- ii. TN (DK) Expressways Limited (TNDK) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

### **f) Trichy-Thanjavur Expressways Limited**

#### **Uncertainties Relating to Going Concern**

Trichy - Thanjavur Expressways Limited was incorporated under the Companies Act, 1956, on 13th April, 2006 as a Special Purpose Vehicle of Madhucon Projects Limited for execution of four lanes Trichy - Thanjavur Section road Project on NH-67 in the state of Tamil Nādu on Build, Operate and Transfer (BOT) basis. Due to delays in undertaking periodic maintenance works NHAI terminated the project on 17-03-2023 through issue of termination notice.

Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

#### **Emphasis of Matter**

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The status of the arbitration is currently in progress.
- ii. Trichy-Thanjavur Expressways Limited (TTEL) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.





**P. MURALI & CO.,**  
CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082, INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

iii. Since the contract has been terminated:

- Fixed Assets and Intangible Assets have been completely written off;
- Provisions created for operating and maintenance (O&M) expenses have been reversed;
- Capital grant income has been recognized in full.

As a result, there is a significant impact on the company's financial statements and its ratios.

iv. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

#### g) Chhapra-Hajipur Expressways Limited

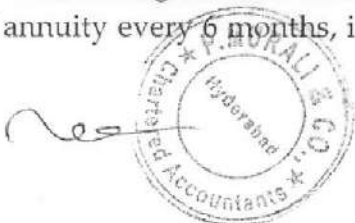
##### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Qualified Opinion

Chhapra-Hajipur Expressways Limited has been incorporated on 2nd day of June 2010 as Special Purpose Vehicle for design, build, operate, Finance and Transfer of 4 laning of Chhapra-Hajipur section of NH-19 from KM 143.200 to Km 207.200 in the state of Bihar on annuity basis for a concession period of 15 years (2.5years of construction period and 12.5 years of operating period).

This contract was awarded by National Highway Authority of India (NHAI). The company shall hand over project to the NHAI on expiry of concession period. The Concession Agreement, on execution, will entitle the company to take a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

commercial operations (COD) from NHAI. However, the company has not commenced the commercial operations till the date of balance sheet.

In this scenario, the management must recognise the amount receivable from NHAI at amortised cost or fair value through other comprehensive income as per IND AS 115 "Appendix C - Service Concession Arrangements" Para 25.

As per Ind AS 109 interest must be calculated using the effective interest method which is to be recognised in profit or loss.

With reference to notes to accounts stated in the financial statements ....., and the above stated accounting measurement as per IND AS, we differ our opinion, as the company has not complied with respective IND AS for arriving at the amount stated as "Project cost" in Non-current Assets amounting Rs.1,03,683.77 Lakhs for FY 2022-23 and Rs.97,314.15 Lakhs for FY 2021-22.

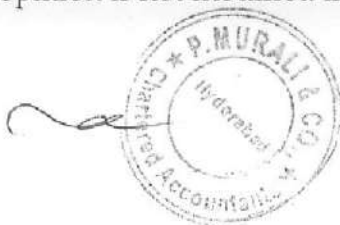
We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

However, because of the matters described in the above paragraphs, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these Financial Statements.

### Emphasis of Matter

1. We draw attention to Note 36.12 to the Standalone financial statements, company has taken loans from banks. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans except NHAI loan. The balances lying in the Bank current accounts are subject to external confirmation.

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







## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

### **h) Ranchi Expressways Limited**

#### **Qualified Opinion**

We have audited the accompanying Standalone financial statements of M/s RANCHI EXPRESSWAYS LIMITED ("REL") which comprises the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss, the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, on the state of affairs of the Company as at 31st March 2023, and its Cash flows for the year ended on that date.

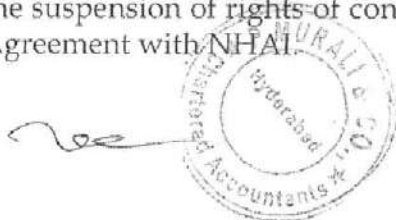
#### **Basis for Qualified Opinion**

- i. No Internal audit was conducted for the financial year as applicable under section 138 of the Companies Act, 2013 and relevant rules made thereunder.
- ii. The Company has not complied with 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. 1,34,175.20 Lakhs and understatement of Cumulative loss by the same amount.
- iii. Note 14 to the Financial Statements which describes the Outstanding balances of loans and interests thereon from Banks or financial institutions for which no Confirmations were received from banks.
- iv. The Company has defaulted on payment of Statutory Dues, which was due and pending for more than 5 Years.

#### **Emphasis of matters:**

We draw your attention to the following matters in the Notes to the financial statements:

Ranchi Expressways Limited was incorporated under the Companies Act, 1956, on 29th Day of March 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km. 114.000 to Km. 277.500 in the state of Jharkhand on DBFOT (Annuity) basis for a concession period of 15 years. This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period. Note- 1(b) to the financial statements which describe the suspension of rights of concessionaire pursuant to Article 36 of the Concessionaire Agreement with NHAI.





## P. MURALI & CO.,

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

The company has achieved physical progress of 50.24% and about 10% is in WIP and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. 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 and called for tenders from public to complete the balance work on EPC basis. Since the project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers.

The NHAI had given its consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim to NHAI. The proceedings of CCIE commenced on 25-09-2019. CCIE vide their order dated 10-08-2020 informed that Both parties, despite their attempts at reaching an amicable settlement of their disputes through conciliation before this committee, have not been successful. The committee hereby records the failure and closure of the conciliation proceedings on this matter. The company has initiated arbitration clause the arbitration committee formed, and arbitration proceedings commenced. EPC contractor has made claims against the company. On receipt of arbitration award the company will negotiate with the EPC Contractor to settle the claims. Note - 5.2 to the financial statements which describe the reconciliation of outstanding balances of loans including interest thereon between books and confirmations from banks or financial institutions.

CBI has filed FIR against the Company, Promoters, Directors and Holding Companies 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 ED is collecting information and investigation is under progress.

Cost incurred on the project up to 31st March 2023 Rs.1,34,175.20 Lakhs instead of writing-off, has been accounted as Claims receivable under the head "Other Financial Assets" which is in contravention of the provisions of Indian Accounting Standards 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. 1,34,175.20 Lakhs and understatement of Cumulative loss by the same amount.

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

Interest on Loans is not provided for during the year under Audit.





**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

We draw attention to Note 13 to the Financial Statements which indicated that the Company has accumulated losses of Rs.20,946 Lakhs and its Net worth has been substantially eroded.

Our Opinion is not modified in respect of these matters.

4. The Financials Results include result for the quarter ended 31<sup>st</sup> March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to 3<sup>rd</sup> quarter of the current financial year which were subjected to limited review.

For P. Murali & Co,  
Chartered Accountants,  
FRN No: 007257S

A Krishna Rao  
Partner

M.No:020085

UDIN:- 23020085 BGRQXFW1192



Place: Hyderabad

Date: 16-05-2023



## **P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
FAX : (91-40) 2339 2474  
E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

### **Annexure-1 to Auditors Report:**

#### **Subsidiaries**

- 1) Madhucon Infra Limited [Includes Subsidiaries (a to i), mentioned below]
  - a) Madhucon Toll Highways Ltd
  - b) TN (DK) Expressways Ltd (audited by others)
  - c) Trichy-Tanjavur Expressways Ltd (audited by others)
  - d) Barasat-Krishnagar Expressways Ltd (audited by others)
  - e) Ranchi Expressways Ltd (audited by others)
  - f) Vijayawada-Machilipatnam Limited (audited by others)
  - g) Rajauli-Bakthiyapur Expressways Limited (audited by others)
  - h) Chhapra-Hajipur Expressways Limited (audited by others)
  - i) PT Madhucon Indonesia (unaudited)
- 2) Madurai-Tuticorin Expressways Limited (audited by others)
- 3) Madhucon Mega mall Pvt Ltd
- 4) Nama Hotels Pvt Ltd
- 5) Madhucon Heights Pvt Ltd

#### **Associate**

- 1) Madhucon Properties Limited ( Ceased to be associate w.e.f 13-02-2023)

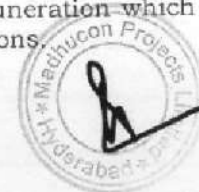


**Replies to Audit Qualification:**

The company has reported the Audited standalone / Consolidated financial results as per Indian Accounting Standard (Ind AS) read with SEBI circular dated 05.07.2016.

These financials were reviewed by the Audit committee in the meeting held on 13.05.2023 and approved by the board of directors of the company at the meeting held on 16.05.2023.

- 1 The carrying value of investments held in subsidiaries and unsecured loans and advances given by the company to some of its subsidiaries listed in the note No.1, which have been incurring losses, the company has written off some of the loans & Advances extended to some of its subsidiaries in the current year based on the internal assessment. Taking into account the internal assessment and initiatives to be implemented to improve the working of other subsidiaries in the medium to long term, is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books.
- 2 The company has written back Trade Payables and other payables of ₹11213.77 lakhs during the year which are not payable. Further company has written off the Loans & Advances of ₹ 21976.86 during the year which are not payable.
- 3 The company is taking steps for remitting the unpaid dividend from the unpaid dividend account to Investor Educational and Protection Fund (IEPF) for FY 2009-10 to FY 2010-11.
- 4 The Company has defaulted in repayment of dues to Banks and financial institutions amounting to ₹.48839.25 Lakhs and Rs.4508.69 Lakhs respectively as per books of accounts. All the loans outstanding were classified as NPA by the Banks and financial institutions. The company is in the process of One Time Settlement (OTS) with the banks for outstanding loans and some of the banks outstanding were settled and is expected to close the other outstanding loans shortly as the OTS proceedings are in final stages.
- 5 One Financial Creditor petition is pending with NCLAT.
- 6 There are some delays in depositing the undisputed Statutory dues including P.F, TDS, WCT and VAT due to huge stress on cash flows of the company. However, company is taking steps to remit the undisputed tax dues.
- 7 The company has made payments towards managerial remuneration which is subject to the approval of the Banks and financial institutions.



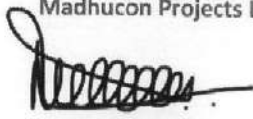
- 8 The company has has filed all the GST Returns for FY 2022-23 and taking steps to file the pending returns if any.
- 9 Company is taking steps for the appointment of Internal Auditor.
- 10 The company is taking the steps to remit the balance pending Tax Deducted at Source (TDS) for the year ended 31<sup>st</sup> March, 2023.
- 11 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 Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress. We already preferred the appeal before adjudicating authority for the properties attached, which is still pending.
- 12 Company is in the process of obtaining confirmations for Trade payables and Receivables.
- 13 Madhucon Infra Limited: The company's investment in Simhapuri Energy Limited has been fully written off from the provision made earlier of an amount of Rs.743 Crs. Further the investment made in Trichy - Thanjavur Expressways Limited also written off / provision made fully as the project has been terminated by NHAI. Further during the year an amount of Rs.249.10 Crs has been written off from the investment made in Madhucon Toll Highways Limited in addition to the existing provision.
- In addition to the above written offs, provision was made for 5% on all investments made in the SPVs. The management is of the opinion that an amount of Rs.1057.91 Lakhs loan from financial creditors is no longer payable, hence written back. Further, management is of the opinion that an amount of Rs.570.66 Lakhs payable to Ramky Enviro Engineers Limited is also no longer payable, hence written back.
- The company has submitted a revised OTS proposal to IFCI and it is under process with them. The company is in the process of appointing internal auditor. The company is in the process of obtaining permissions for paying management remuneration as per the Companies Act.
- 14 The Madhucon Mega Mall Private Limited (MMMPL) and Nama Hotels (P) Ltd a subsidiaries of the company incorporated for developing shopping mall cum multiplex and hotel on leased land taken from THB at Kukatpally in Hyderabad. Since no approval has been received from last 10 years and accumulated losses, the company has written off CWIP and written back loan / advanced payable to Parent Company.
- 15 In case of subsidiary - "Madhucon Toll Highways Limited" the company has made investment in REL and BKEL. The respective companies have initiated arbitration proceedings against NHAI. On receipt of the award, the bankers dues of respective companies will be cleared and surplus will be available to MTHL.
- 16 Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company Though the concession agreement was terminated, the company has initiated arbitration



proceedings against NHAI and proceedings are in progress. From the award money the company is confident of clearing its dues.

- 17 Rajauli - Bakhtiyarpur Project of the company has been foreclosed with mutual consent. The company has initiated Arbitration proceedings against BSRDC and proceedings are going on. On receipt of proceeds, it is confident of clearing dues.
- 18 In case of Madurai Tuticorin Expressways Limited (MTEL) NHAI terminated the project on 17.03.2023. As per contractual obligation, NHAI has to pay Bankers dues. Further, the Company has initiated Arbitration proceedings against NHAI and is confident of clearing dues on receipt of money.
- 19 Vijayawada - Machilipatnam Expressways Limited which is one of the subsidiary, the company has to receive amount from its debtors. On receipt of the amount, it will clear its dues.
- 20 TNDK expressways Limited: The company has initiated arbitration proceedings against NHAI. On receipt of amount from NHAI it will clear the dues.
- 21 Chapra Hajipur Expressways Limited -Due to ROW and other issues, the project could not be achieved PCOD as per schedule. Due to prolongation of the project, there is increase in IDC and other costs. The company has not paid interest on term loans and they become due. Due to cost overrun the company has approached an investor to fund the project and achieve PCOD. The company is expecting to achieve PCOD during the current year. Parallely the company is in discussion with bankers for One Time Settlement of their dues and the proposal is in process.
- 22 Ranchi Expressways Limited, one of the Subsidiary NHAI terminated the project in the month of January,2019. The Company has initiated Arbitration proceedings against NHAI and is confident of clearing lenders dues on receipt of money. About cases filed by external agencies, it will take some time to come out of these cases. Company is co-operating to the authorities in their investigation by providing the information sought by them.

For and on behalf of the Board of Directors of  
Madhucon Projects Ltd.



(N. SEETHAIAH)  
Managing Director  
DIN: 00784491



Date : 16.05.2023

Place : Hyderabad.