

Ref.: MPL/HYD/SE/0007/2021-22

Date: 09-07-2021

To

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

**Sub.: Submission of Audited Standalone and Consolidated Financials for the Fourth quarter and year to date 31st March 2021 - Regarding.**

**Ref.: BSE Script code: 531497 & NSE Script code: MADHUCON.**

In furtherance to the Board Meeting Notice dated 03rd July 2021, we wish to inform you that at the meeting of Board of Directors of M/s Madhucon Projects Ltd., held today i.e., on 09<sup>th</sup> July 2021, the Board has considered and approved the Audited Standalone and Consolidated Financials for the Fourth quarter and year to date 31st March 2021. The said Audited Financial Results were reviewed by the Audit Committee and thereafter approved by the Board.

Pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, statement showing the Audited Standalone and Consolidated Financials for the Fourth quarter and year to date 31st March 2021 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board declares that the above said Auditor's Reports are with unmodified opinion with respect to the Audited Standalone and Consolidated Financials for the Fourth quarter and year to date 31st March 2021.

The Meeting of Board of Directors' of the Company at 04:00 P.M and concluded at 10:10 P.M.

We would request you to please take on record the above and host the same on your website for viewing to the public.

Thanking you,

For Madhucon Projects Limited

  
(Seethaiah Nama)  
Managing Director  
DIN: 00784491



Encl: As above.

MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(Rs. In Lakhs)						
Sl. No	Particulars	Standalone				
		Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	29,093.49	14,723.14	24,356.11	64,655.05	54,682.00
II	Other income	1,994.88	1,069.22	637.39	7,190.97	787.07
III	<b>Total Income (I+II)</b>	<b>31,088.37</b>	<b>15,792.35</b>	<b>24,993.50</b>	<b>71,846.02</b>	<b>55,469.07</b>
IV	<b>Expenses:</b>					
	(a) Cost of Materials Consumed	30,053.99	14,920.31	22,810.10	63,442.04	51,044.53
	(b) Employee benefits expense	510.36	485.97	507.99	1,728.40	2,196.08
	(c) Other expenses	389.18	667.65	1,176.14	10,288.63	2,536.45
	(d) Financial Costs	202.65	45.63	627.24	847.22	1,343.22
	(e) Depreciation and amortisation expense	227.15	121.83	211.53	595.97	836.52
	<b>Total Expenses</b>	<b>31,383.33</b>	<b>16,241.39</b>	<b>25,332.99</b>	<b>76,902.26</b>	<b>57,956.80</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(294.95)</b>	<b>(449.03)</b>	<b>(339.49)</b>	<b>(5,056.25)</b>	<b>(2,487.73)</b>
VI	Exceptional Items	-	-	22,727.00	-	22,727.00
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(294.95)</b>	<b>(449.03)</b>	<b>(23,066.49)</b>	<b>(5,056.25)</b>	<b>(25,214.73)</b>
VIII	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-	(5,392.23)	-
	c) Deferred Tax	(374.21)	194.78	(6,674.22)	3,982.68	(3,656.98)
	<b>Total Tax (a+b)</b>	<b>(374.21)</b>	<b>194.78</b>	<b>(6,674.22)</b>	<b>(1,409.55)</b>	<b>(3,656.98)</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>79.26</b>	<b>(643.81)</b>	<b>(16,392.27)</b>	<b>(3,646.70)</b>	<b>(21,557.75)</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>79.26</b>	<b>(643.81)</b>	<b>(16,392.27)</b>	<b>(3,646.70)</b>	<b>(21,557.75)</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	(35.65)	-	71.00	(35.65)	71.00
	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>(35.65)</b>	<b>-</b>	<b>71.00</b>	<b>(35.65)</b>	<b>71.00</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>43.61</b>	<b>(643.81)</b>	<b>(16,321.27)</b>	<b>(3,682.35)</b>	<b>(21,486.75)</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/- per share)	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	0.11	(0.87)	(22.21)	(4.94)	(29.21)

**Notes:**

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 09th July, 2021 and approved by the Board of Directors of the Company at its meeting held on 09th July, 2021. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2021.
- 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 The figures for the Quarter ended March 31, 2021 and March 31, 2020 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 As per the management assessment on the impact of second wave of Covid-19 pandemic on the business operations of the company, there is a impact on the achievement of targeted top line and cash flow of the Company. The Company will continue to evaluate and monitor material changes to future economic conditions arising from the on going second wave and will update its assessment.
- 6 Figures of previous period have been regrouped / rearranged wherever necessary.
- 7 The Company has only one segment which is 'Constructions '. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Place: Hyderabad

Date : 09-07-2021



**By order of the Board**  
for Madhucon Projects Limited

  
**(N. Seethaiah)**

Managing Director

DIN: 00784491

## Madhucon Projects Limited

Balance Sheet as at March 31, 2021

( in Lakhs)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2.1	4,327.87	4,189.71
<b>Financial Assets</b>			
Investments	2.2	1,48,838.38	1,71,565.38
Trade Receivables	2.3	7,864.07	16,428.66
Loans	2.4	26,646.27	17,103.66
Others Financial Assets	2.5	24,600.79	15,429.17
Deferred tax Asset (Net)	2.6	4,438.51	8,421.19
Other Non-Current Assets	2.7	25,372.58	22,990.10
<b>Total Non-Current Assets</b>		<b>2,42,088.46</b>	<b>2,56,127.87</b>
<b>Current Assets</b>			
Inventories	2.8	1,316.67	2,785.09
<b>Financial Assets</b>			
Trade Receivables	2.9	165.54	2,558.69
Cash and Cash equivalents	2.10	1,011.48	643.15
Bank Balances other than above	2.11	589.93	577.65
Loans	2.12	130.16	140.91
Others Financial Assets	2.13	3,932.14	5,004.47
Current Tax Asset (Net)		5,928.08	4,837.10
Other Current Assets	2.14	6,881.46	11,470.00
<b>Total Current Assets</b>		<b>19,955.46</b>	<b>28,017.06</b>
<b>Total Assets</b>		<b>2,62,043.92</b>	<b>2,84,144.93</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.15	740.32	740.32
Other Equity	2.16	55,588.59	59,235.29
<b>Total Equity</b>		<b>56,328.91</b>	<b>59,975.61</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.17	13.53	1,590.20
Trade Payables	2.18	12,199.14	11,628.04
Other Financial Liabilities	2.19	369.47	6,535.45
Provisions	2.20	104.67	139.90
Deferred Tax Liabilities (Net)	2.6	-	-
Other Non-Current Liabilities	2.21	3,256.62	4,798.76
<b>Total Non-Current Liabilities</b>		<b>15,943.43</b>	<b>24,692.34</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.22	68,662.61	68,950.31
Trade Payables	2.23	62,797.26	46,722.81
Other Financial Liabilities	2.24	15,820.26	13,438.73
Other Current Liabilities	2.25	39,340.46	41,893.87
Provisions	2.26	1,007.11	24,031.30
Current Tax Liabilities (Net)		2,143.88	4,439.96
<b>Total Current Liabilities</b>		<b>1,89,771.58</b>	<b>1,99,476.98</b>
<b>Total Equity and Liabilities</b>		<b>2,62,043.92</b>	<b>2,84,144.93</b>

For and on behalf of the Board



  
 (N. Sreethaiah)  
 Managing Director  
 DIN-00784491

Place : Hyderabad  
Date : July 09, 2021

MADHUCON PROJECTS LIMITED		
Standalone Cash Flow Statement for the Year ended March 31, 2020		
		(` in Lakhs)
Particulars	Year ended March 2021	Year ended March 2020
<b>A Cash flow from operating activities</b>		
Profit/(loss) before income tax	(5,056.25)	(2,487.73)
<b>Adjustments for:</b>		
Exceptional Item	-	(22,727.00)
Depreciation and amortisation expense	595.97	836.52
Dividend and interest income classified as investing cash flows	(78.60)	(20.70)
Finance costs	847.22	1,343.22
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	10,957.75	7,277.65
(Increase) decrease in inventories	1,468.41	1,496.42
(Increase)/decrease in other financial assets	(8,099.30)	(1,556.00)
(Increase)/decrease in other current and non-current assets	1,115.09	13,058.63
(Increase) decrease in other bank balances	(12.27)	(337.87)
Increase/(decrease) in Loans	(9,531.86)	(4,914.63)
Increase/(decrease) in trade payables	22,037.79	1,287.50
Increase/(decrease) in other financial liabilities	(26,843.88)	19,522.76
Increase/(decrease) in other current and non-current liabilities	(6,391.62)	(13,838.66)
Increase/(decrease) in Non current Investments	22,727.00	-
<b>Cash generated from operations</b>	<b>3,735.44</b>	<b>(1,059.88)</b>
Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>3,735.44</b>	<b>(1,059.88)</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant and equipment	(734.13)	(116.78)
Payments for purchase of investments	-	-
Dividend paid	-	-
Interest received	78.60	20.70
<b>Net cash outflow from investing activities</b>	<b>(655.53)</b>	<b>(96.08)</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	(1,576.67)	(1,201.22)
Proceeds from short term borrowings (net)	(287.70)	3,277.74
Interest paid	(847.22)	(1,343.22)
<b>Net cash outflow from financing activities</b>	<b>(2,711.58)</b>	<b>733.30</b>
Net increase/(decrease) in cash and cash equivalents	368.33	(422.66)
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>643.15</b>	<b>1,065.81</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,011.48</b>	<b>643.15</b>
Reconciliation of cash and cash equivalents as per the cash flow statement		
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	<b>1,011.48</b>	<b>643.15</b>
Balances per statement of cash flows	<b>1,011.48</b>	<b>643.15</b>

For and on behalf of the Board of Directors



*[Signature]*  
N. Seethaiah  
Managing Director  
DIN-00784491

Place: Hyderabad  
Date : July 09, 2021

**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, 2021

(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	71,846.02	Not Ascertainable
	2	Total Expenditure	76,902.26	Not Ascertainable
	3	Net Profit/(Loss)	(3,646.70)	Not Ascertainable
	4	Earnings Per Share	(4.94)	Not Ascertainable
	5	Total Assets	2,62,043.92	Not Ascertainable
	6	Total Liabilities	2,05,715.01	Not Ascertainable
	7	Net Worth	56,328.91	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

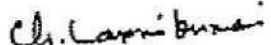
**III Signatories:**

For Madhucon Projects Limited

  
(Seethiah Nama)  
Managing Director  
DIN: 00784491



  
(K. Venkateswarlu)  
Chief Financial Officer

  
(Ch. Lakshmi Kumari)  
Chairman of Audit Committee  
DIN: 06942473



**P.MURALI & CO.,**

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

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E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

**Independent Auditor's Report on the 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 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, 2021 and the year to date results for the period from 01-04-2020 TO 31-03-2021, 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 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, 2021 as well as the year to date results for the period from 01-04-2020 to 31-03-2021.

**Basis for Qualified Opinion:**

i. i) "the company" during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year.

ii) Trade receivables of Rs. 8598.04 Lakhs from "SEL" is written off as bad debts during the current year.





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2. We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of investments, loans and advances is required.

3. We refer to the " Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board ( Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.

4. There are outstanding Loans and advances of Rs 4191.10 Lakhs and Rs 512.49 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.

5. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 7,07,791/- relating to Financial Years 2008-09 to 2010-11 and 2012-13 from unpaid dividend account to Investor Education and Protection Fund (IEPF).

6. "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68,662.61 Lakhs and Rs.4,522.22 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19, 2019-20 & 2020-21.

7. In the absence of confirmations of Trade Payables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.

8. There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

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	Professional Tax	PT PAYABLE	2011-12 to 2020-21	66.42





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3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2019-20	93.88
4	Sales Tax	Sale Tax payable	2013-14 to 2020-21	82.67
5	Works Contract Tax	Works Contract Tax	2014-15 to 2019-20	601
6	Goods and Service Tax	Goods and Service Tax	2020-21	1.25
7	The Income Tax Act, 1961	Tax Deducted at Source	2020-21	155.56

9. The Company is yet to file final GST Returns for the FY 2020-21 in case of a few states. The turnover and input credits are subject to reconciliation

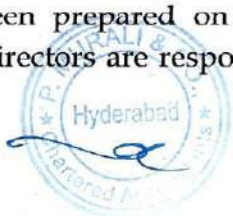
10. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.

11. 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.

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 there under, 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.

**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





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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 there under 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, 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.





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

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

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

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

A Krishna Rao  
Partner  
Membership No:020085  
UDIN: 21020085AAAAQK8460



Place: Hyderabad  
Date: 09-07-2021

**MADHUCON PROJECTS LIMITED**

CIN-L74210TG1990PLC011114

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

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021**

(Rs. in Lakhs)

Sl. No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	Audited	Unaudited	Audited	Audited	Audited	
	<b>PART-I</b>					
I	Revenue from Operations	44,570.41	19,013.91	29,744.37	90,916.23	73,413.09
II	Other income	4,591.55	1,890.20	1,659.96	12,484.10	4,604.02
III	<b>Total Income (HII)</b>	<b>49,161.96</b>	<b>20,904.11</b>	<b>31,404.33</b>	<b>1,03,400.33</b>	<b>78,017.11</b>
IV	Expenses:					
	(a) Cost of Materials Consumed	82,682.96	1,800.58	25,720.23	88,842.93	60,650.21
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	(32,498.44)	14,878.74	1,394.81	889.61	1,496.42
	(c) Employee benefits expense	809.75	792.45	550.36	2,792.85	3,530.72
	(d) Other expenses	(8,105.46)	767.40	(417.53)	1,994.52	3,047.03
	(e) Financial Costs	21,746.38	848.61	5,390.01	24,570.33	15,028.49
	(f) Depreciation and amortisation expense	3,261.71	3,362.99	(12,758.06)	12,871.32	7,157.74
	<b>Total Expenses</b>	<b>67,896.89</b>	<b>22,450.77</b>	<b>19,879.82</b>	<b>1,31,961.55</b>	<b>90,910.61</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(18,734.93)</b>	<b>(1,546.66)</b>	<b>11,524.51</b>	<b>(28,561.22)</b>	<b>(12,893.50)</b>
VI	Exceptional Items	-	-	-	-	-
	Provision for Impairment on Investments	-	-	97,027.06	-	97,027.06
	Share of (Loss) from Associate Company	982.39	-	-	982.39	-
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(17,752.54)</b>	<b>(1,546.66)</b>	<b>(85,502.55)</b>	<b>(27,578.83)</b>	<b>(1,09,920.56)</b>
VIII	Tax Expense					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	(0.00)	-	-	(5,392.23)	-
	c) Deferred Tax	(374.22)	194.78	(1,433.57)	3,982.68	1,583.67
	<b>Total Tax (a+b)</b>	<b>(374.22)</b>	<b>194.78</b>	<b>(1,433.57)</b>	<b>(1,409.55)</b>	<b>1,583.67</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>(17,378.33)</b>	<b>(1,741.44)</b>	<b>(84,068.98)</b>	<b>(26,169.29)</b>	<b>(1,11,504.23)</b>
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-	-
XII	Profit/(Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-
XIII	<b>Profit/Loss for the period (IX+XII)</b>	<b>(17,378.33)</b>	<b>(1,741.44)</b>	<b>(84,068.98)</b>	<b>(26,169.29)</b>	<b>(1,11,504.23)</b>
	Attributable to:					
	- Share Holders of the Parent Company	(15,227.10)	(1,585.44)	(80,519.46)	(23,339.24)	(1,06,582.94)
	- Non Controlling Interest	(2,151.25)	(155.97)	(3,549.52)	(2,830.05)	(4,921.29)
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	(35.65)	-	204.36	(35.65)	204.36
	Share of Other Comprehensive Income transferred to Non Controlling interest	-	-	0.01	-	0.01
	(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>(35.65)</b>	<b>-</b>	<b>204.37</b>	<b>(35.65)</b>	<b>204.37</b>
	Attributable to:					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>(15,262.75)</b>	<b>(1,585.44)</b>	<b>(80,315.09)</b>	<b>(23,374.89)</b>	<b>(1,06,378.57)</b>
	Attributable to:					
	- Share Holders of the Parent Company	(15,262.75)	(1,585.44)	(80,315.09)	(23,374.89)	(1,06,378.57)
	- Non Controlling Interest	-	-	-	-	-
XVI	Paid - up Equity Share Capital (Face value of Rs.1/- per share)	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	<b>(20.63)</b>	<b>(2.15)</b>	<b>(109.11)</b>	<b>(31.63)</b>	<b>(144.43)</b>



**Notes:**

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 09th July, 2021 and approved by the Board of Directors of the Company at its meeting held on 09th July, 2021. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2021.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Consolidated 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 The figures for the Quarter ended March 31, 2021 and March 31, 2020 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.
- 6 As per the management assessment on the impact of second wave of Covid-19 pandemic on the business operations of the company, there is a impact on the achievement of targeted top line and cash flow of the Company. The Company will continue to evaluate and monitor material changes to future economic conditions arising from the on going second wave and will update its assessment.
- 7 "the company" during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year. Trade receivables of Rs. 8598.04 Lakhs from "SEL" is written off as bad debts during the current year

Place: Hyderabad  
Date : 09-07-2021



By Order of the Board  
for Madhucon Projects Limited

  
N. Seethaiah  
Managing Director  
DIN: 00784491

**MADHUCON PROJECTS LIMITED**  
Consolidated Balance Sheet as at March 31, 2021

[ in Lakhs]

	Note No.	As at March 31, 2021	As at March 31, 2020	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2.1	10,622.70	12,431.03	
Capital Work-in-Progress	2.1	15,013.41	15,090.00	
Intangible Assets	2.1a	64,254.46	1,11,146.15	
(v) Intangible Assets under Development		46,333.14	-	
Investment Properties		41.36	61.46	
<b>Financial Assets</b>				
Investments	2.2	75,338.03	97,080.64	
Trade Receivables	2.3	451.82	-	
Loans	2.4	1,072.55	5,909.75	
Others Financial Assets	2.5	74,737.37	81,203.66	
Deferred Tax Assets (Net)	2.36	4,438.51	3,180.54	
Other Non-Current Assets	2.6	26,423.43	12,415.87	
<b>Total Non-Current Assets</b>		<b>3,18,726.78</b>		<b>3,38,519.10</b>
<b>Current Assets</b>				
Inventories	2.7	1,479.27	2,935.21	
<b>Financial Assets</b>				
Investments		64.07	43.29	
Trade Receivables	2.8	447.44	11,701.02	
Cash and Cash Equivalents	2.9	6,460.24	8,090.84	
Bank Balances other than above	2.10	589.93	577.65	
Loans	2.11	130.16	140.90	
Others Financial Assets	2.12	1,85,669.25	94,134.86	
Current Tax Asset (Net)	2.13	6,202.73	22,199.35	
Other Current Assets	2.14	13,692.95	18,288.15	
<b>Total Current Assets</b>		<b>2,14,736.04</b>		<b>1,58,111.27</b>
<b>Total Assets</b>		<b>5,33,462.82</b>		<b>4,96,630.37</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	2.15	740.32	740.32	
Other Equity	2.16	(1,90,160.04)	(2,43,839.86)	
Less : Profit / (Loss) from Associates		982.39	-	
Equity Attributable to Shareholders of the Company				
Non-Controlling Interests				
<b>Total Equity</b>		<b>(1,88,437.33)</b>		<b>(2,43,099.54)</b>
		(9,735.00)		(6,666.02)
<b>Liabilities</b>		<b>(1,98,172.33)</b>		<b>(2,49,765.56)</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	2.17	2,39,123.40	1,77,603.90	
Trade Payables	2.18	12,204.57	11,635.13	
Other Financial Liabilities	2.19	1,537.50	6,533.31	
Provisions	2.20	33,571.93	17,991.45	
Deferred Tax Liabilities (Net)		-	-	
Other Non-Current Liabilities	2.21	3,256.62	4,798.76	
<b>Total Non-Current Liabilities</b>		<b>2,89,694.02</b>		<b>2,18,562.55</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	2.22	1,33,918.26	2,21,387.79	
Trade Payables	2.23	63,373.40	47,613.80	
Other Financial Liabilities	2.24	70,601.57	62,223.17	
Other Current Liabilities	2.25	83,372.10	64,178.19	
Provisions	2.26	88,530.38	1,11,030.32	
Current Tax Liabilities (Net)		2,145.42	21,400.11	
<b>Total Current Liabilities</b>		<b>4,41,941.13</b>		<b>5,27,833.38</b>
<b>Total Equity and Liabilities</b>		<b>5,33,462.82</b>		<b>4,96,630.37</b>

For and on behalf of the Board

Place : Hyderabad  
Date : July 09 , 2021



  
**N. Seetharam**  
 Managing Director  
 DIN 00784491

**Madhucon Projects Limited**  
Consolidated Cash Flow Statements for the Year ended March 31, 2021

( in Lakhs)

	Year ended March 31 , 2021	Year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
<b>(Loss) / Profit before tax</b>	<b>(27,578.83)</b>	<b>(1,09,920.56)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	12,871.32	7,157.74
Dividend Income	(0.74)	(0.86)
Interest Income	(105.64)	(47.16)
Impairment	-	97,027.06
Finance costs	24,570.33	15,028.49
	<b>37,335.27</b>	<b>1,19,165.27</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>9,756.43</b>	<b>9,244.71</b>
<b>Change in Working Capital</b>		
(Increase)/decrease in Trade Receivables	10,801.76	(8,034.22)
(Increase)/decrease in Inventories	1,455.93	3,353.16
(Increase)/decrease in Other Financial Assets	(85,081.30)	67,202.61
(Increase)/decrease in Other Current and Non-Current Assets	6,584.26	2,133.36
Increase/(decrease) in Loans	4,847.95	(44,157.16)
Increase/(decrease) in Trade Payables	16,329.09	(18,092.12)
Increase/(decrease) in Other Financial Liabilities	(2,018.79)	(61,315.04)
Increase/(decrease) in Other Current and Non-Current Liabilities	(8,523.52)	(9,033.02)
<b>Cash generated from operations</b>	<b>(45,848.18)</b>	<b>(58,697.72)</b>
Income taxes paid	(5,392.23)	-
<b>Net cash from operating activities</b>	<b>(40,455.95)</b>	<b>(58,697.72)</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment including CWIP	(10,417.57)	2,93,645.55
Change in Capital Reserve and others	(7,194.41)	-
Purchase of Investments	-	167.01
Due to Derecognition of Simhapuri	1,01,474.32	(9,407.19)
(Increase) / decrease in other bank balances	(25.49)	(145.49)
Dividend Received	0.74	0.85
Interest Received	105.64	47.16
<b>Net cash used in investing activities</b>	<b>83,943.24</b>	<b>2,84,307.89</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	66,921.97	(2,05,835.44)
Proceeds from short term borrowings (net)	(87,469.53)	-
Interest paid	(24,570.33)	(15,028.49)
<b>Net cash used in financing activities</b>	<b>(45,117.89)</b>	<b>(2,20,863.93)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,630.60)</b>	<b>4,746.25</b>
Cash and cash equivalents at the beginning of the financial year	8,090.85	3,344.59
<b>Cash and cash equivalents at end of the year</b>	<b>6,460.24</b>	<b>8,090.84</b>
<b>Reconciliation of cash and cash equivalents as per with the Balance Sheet</b>	<b>6,460.24</b>	<b>8,090.84</b>
<b>Cash and Cash Equivalents end of the Year</b>	<b>6,460.24</b>	<b>8,090.84</b>

By order and the Board  
For and on behalf of the Board

Place : Hyderabad  
Date : July 09, 2021



  
**N. Seethaiah**  
Managing Director  
DIN-00784491

**ANNEXURE I**

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

Rs. In Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 (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	1,03,400.33	Not Ascertainable
	2	Total Expenditure	1,31,961.55	Not Ascertainable
	3	Net Profit/(Loss)	(23,374.89)	Not Ascertainable
	4	Earnings Per Share	(31.63)	Not Ascertainable
	5	Total Assets	5,33,462.82	Not Ascertainable
	6	Total Liabilities	7,31,635.15	Not Ascertainable
	7	Net Worth	(1,98,172.33)	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II</b>	<b>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		

**III Signatories:**

For Madhucon Projects Limited

(Seethaiah Nama)  
Managing Director  
DIN: 00784491



(K.Venkateswarlu)  
Chief Financial Officer

(Ch. Lakshmi Kumari)  
Chairman of Audit Committee  
DIN: 06942473





**P.MURALI & CO.,**

CHARTERED ACCOUNTANTS  
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**Auditor's Report on Consolidated Financial Results of M/s. Madhucon Projects Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

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

**1. Qualified opinion**

We have audited the accompanying statement of consolidated financial results (the statement) of **M/S MADHUCON PROJECTS LIMITED** ('the Company') and its subsidiaries and Associate (the Company and its subsidiaries and Associates together referred to as, 'the Group') for the year ended March 31, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/ 62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's management and have been approved by the Board of Directors of the 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 year ended March 31, 2019; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ FAC/ 62/ 2016 dated July 5, 2016.

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.

In our opinion and to the best of our information and according to the explanations given to





## P.MURALI & CO.,

CHARTERED ACCOUNTANTS  
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us and based on the consideration of the reports of the other auditors on subsidiaries and step down subsidiaries of the Group referred to in below Paragraph 5 and except for the possible effects of the matters described in below paragraphs 5 & 6, the year to date consolidated financial statement:

- i) Includes the results of the entities listed in **Annexure**,
- ii) Are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
- iii) 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 year ended March 31, 2021.

### 2. Basis for Qualified Opinion

1. i) "the company" during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year.  
ii) Trade receivables of Rs. 8598.04 Lakhs from "SEL" is written off as bad debts during the current year.
2. We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of investments, loans and advances is required.
3. We refer to the " Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board ( Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Account.
4. There are outstanding Loans and advances of Rs 4191.10 Lakhs and Rs 512.49 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net





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Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.

5. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 7,07,791/- relating to Financial Years 2008-09 to 2010-11 and 2012-13 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
6. "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68,662.61 Lakhs and Rs.4,522.22 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19, 2019-20 & 2020-21.
7. In the absence of confirmations of Trade Payables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
8. There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

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	Professional Tax	PT PAYABLE	2011-12 to 2020-21	66.42
3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2019-20	93.88
4	Sales Tax	Sale Tax payable	2013-14 to 2020-21	82.67
5	Works Contract Tax	Works Contract Tax	2014-15 to 2019-20	601
6	Goods and Service Tax	Goods and Service Tax	2020-21	1.25
7	The Income Tax Act, 1961	Tax Deducted at Source	2020-21	155.56





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9. The Company is yet to file final GST Returns for the FY 2020-21 in case of a few states. The turnover and input credits are subject to reconciliation.
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 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. 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.
12. "Madhucon infra Limited (MIL)", which is a subsidiary to the Company, has defaulted in repayment of dues to Banks and financial institutions (excluding debentures) amounting to Rs. 17.18 Crores and Rs. 16.57 Crores respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19, 2019-20 & 2020-21. Borrowings from banks and financial institutions are subject to confirmation and reconciliation.
13. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs. 190.96 Crores vide its letters dated February 24<sup>th</sup>, 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 the payment of two instalments of Rs. 10.5 Crores up to 31<sup>st</sup> March, 2021.
14. Madhucon infra Limited, which is a subsidiary to the Company, has made a provision in case of all other subsidiaries of Rs. 58.66 Crores towards impairment at 5% on all investments in equity and other investments made and in the absence of fair valuation of the same, we are unable to comment on the adequacy of the provision made.
15. Madhucon Infra Limited which is a subsidiary to the company, balances as at 31 March, 2021 in respect of Some subsidiaries are subject to reconciliation.

### **3. Emphasis of Matter**

Madhucon Heights Private limited, which is a subsidiary to "the company", the accumulated losses have completely eroded the Net worth of the company. The company has suffered recurring Losses. The accounts of the company have been prepared on the





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basis of going concern assumption. However, the eroded Net worth will significantly affects the company's ability to continue as a going concern unless it raises capital in order to fund its operations.

#### 4. Other Matter Paragraph:

- a) We did not audit the financial statements and other financial information of one subsidiary and seven step down subsidiaries included in the statement, whose financial statements together comprise total assets, before elimination, of Rs.3,92,286.48 Lakhs as at March 31, 2021, total Revenue of Rs.31,341.80 Lakhs, total Loss & total Comprehensive Income of Rs. 32,099.93 Lakhs and net cash flows amounting to Rs. 5,344.77 lakhs for the year then ended. 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 step down subsidiary of the company included in the statement, is unaudited, whose financial statements comprise total assets, before elimination, of Rs.8,911.83 Lakhs as at March 31, 2021, total Revenue of Rs.46.20 Lakhs, total Loss & total Comprehensive Income of Rs. 22.81 Lakhs and net cash flows amounting to Rs. 7.28 lakhs for the year then ended. The Financial statements / financial information of this company 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 subsidiary, is based solely on such unaudited financial statements / financial information.
- c) "The company" is preparing consolidation with its subsidiaries and step down subsidiaries. "MIL", subsidiary of "the company", is preparing only standalone financials and no consolidation with its subsidiaries is done by "MIL", reference to the notification issued by MCA dated 27-07-2016 and also Rule 6 of section 129(3) of the Companies Act, 2013.
- d) The Consolidated Financial Results of "the company" for the year ended 31st March, 2021, does not include the financial statements/financial results of "Simhapuri Energy Limited" (SEL) a step down subsidiary of the company, in case of which "The Hon'ble National Company Law Tribunal "(NCLT) by an order dated 26-06-2020 admitted the Corporate insolvency resolution process (CIRP).





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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.

5. The independent auditors of "Barasat-Krishnagar Expressways Limited ('BKEL')" which is a step-down subsidiary to the Company, have given "Opinion" / "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

### Opinion:

Due to termination of the project of the company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to 31-3-2021 at Rs. 5,79,55,85,497/- including the Cost and expenses incurred on and for the project for the financial year covered under the audit report instead of writing-off to profit & loss have been accounted as NHAI Claims receivable under the head "Other Current Financial Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets and understatement of loss for the year accordingly and Cumulative loss to that extent. Further, no interest has been provided for on the borrowings from institutions.

### Emphasis of Matter:

- 1) 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.
- 2) As the borrowings from secured lenders have been declared as Non-performing asset by the lender, interest on related borrowings have not been accounted for.

In view of the above going concern assumption is not appropriate and therefore financial statements have been drawn accordingly

An amount of Rs.15775.00 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been





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reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

Our opinion is not modified in respect of these matters.

### Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

6. The independent auditors of "Rajauli-Bakthiyarpur Expressways Limited ('RBEL')" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" /"Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31,2021 which are reproduced below:

### Emphasis of Matter:

Project of the Company has been foreclosed with mutual consent, therefore, going concern assumption is not appropriate and financial statements have been drawn accordingly. As the project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31st March, 2021 Rs.8,15,39,853/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets by Rs.8,15,39,853/- and understatement of cumulative loss by the same amount.





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The Company is continuing to expect the realisation of the expenses incurred on the project recoverable within a period of 12 months. However, it is not materialised so far.

An amount of Rs.747.00 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

### **Other Matters:**

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

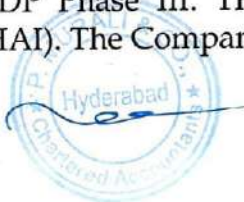
We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

7. The independent auditors of "Vijayawada-Machilipatnam Expressways Limited (VMEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31,2021 which are reproduced below:

### **Emphasis of Matter:**

Vijayawada – Machilipatnam Expressways Limited (VMEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Ktn.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT (Toll) Basis, under NHDP Phase III. This project was awarded by National Highway Authority of India (NHAI). The Company was to hand over the Project Highway to NHAI on the expiry of the







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Concession Period of 20 years. Later, the agreement for the said project was terminated by NHAI. NHAI has not provided 80% of the Land.

All the expenditure incurred during the year has been shown as claim receivable from NHAI and is subject to ratification by NHAI

In view of the above an amount of Rs 68,77,165/- , has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs 68,77,165/- and understatement of cumulative loss by the same amount. However, NHAI has terminated the contract. The Company is not confident of discharging it's liabilities in the normal course of business from the available funds.

Transactions of group companies routed through the company have no relevance to the business activities of this company. This has resulted in the increase in the current assets and liabilities of the company.

An amount of Rs.83.50 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

In our opinion, the termination of the Concession Agreement and pending settlement of the claim by NHAI till date indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

#### **Other Matters:**

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.





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We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

8. The independent auditors of "Madurai Tuticorin Expressways Limited (MTEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" / "Report on Other Legal and Regulatory Requirements" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

### Emphasis of Matter:

MADHURAI-TUTICORIN Expressways Limited (MTEL) has taken loans from different financial institutions. Now those loans became NPAs. As per RBI guidelines, interest on such loans need to be recognized on cash basis and not on accrual basis. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.

An amount of Rs.106.47 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The provision for MMR has not been provided in accordance with the future requirements as estimated

### Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.





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We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

### Report on Other Legal and Regulatory Requirements

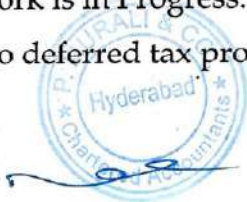
- i. The Company has pending litigation at the Madurai Bench of The Honorable High Court of Madras, Bench made by Bus Owner's Association against Madurai plaza to direct the concessionaire to collect 50% of toll fee. However the Honorable High Court ordered to collect 70% of toll fee from 21.12.2018 onwards till the relevant section of NH-45 B toll highway has been fully relied as per the specifications in the Concession Agreement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.
9. The independent auditors of "Chhapra- Hajipur Expressways Limited (CHEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

#### Emphasis of Matter:

Chhapra- Hajipur Expressways Limited (CHEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on the 02nd Day of June, 2010 as a Special Purpose Vehicle for design, build, operate, finance and transfer of 4 lining of Chhapra-Hajipur section of NH-19 from Kilometres 143.200 to kilometres 207.200 in the state of Bihar on annuity basis for a Concession Period of 15 years (2.5 years of construction period and 12.5 years of operating period).

The contract was awarded by 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 for every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. The construction work is in Progress.

No deferred tax provisions have been made in view of the estimation of inadequate revenue





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in future to adjust the same.

Items previously classified under Other Equity amounting to Rs.2,16,56,84,448/- are now reclassified under Long term borrowings resulting in decrease of Other Equity and increase of Long term borrowings

The amount spent on project is shown as receivable from NHAI, but it should be treated as intangible assets and be shown as such

Subject to Ind AS adjustments carried out during the year

### Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

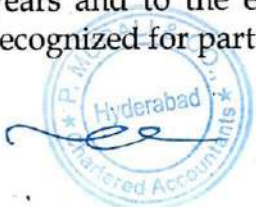
Our audit opinion is not modified in respect of the above.

10. The independent auditors of "TrichyThanjavur Expressways Limited (TTEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" /"Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31,2021 which are reproduced below:

### Emphasis of Matter:

TRICHY-THANJAVUR Expressways Limited (TTEL) has taken loans from banks. Now those loans became NPAs.

Interest on such loans has been provided for till the day of becoming NPAs in previous years and to the extent interest has been paid afterwards. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.





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OTS has been made with only one State Bank of India [ex State Bank of Hyderabad].

An amount of Rs. 50.00 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The amounts due to the company and due by the company are continued to be classified as current assets and current liabilities, while they are due for more than 12 months.

The provision for MMR has not been provided in accordance with the future requirements as estimated.

### **Other Matters:**

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

11. The independent auditors of "TN (DK) Expressways Limited (TNDK)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

### **Emphasis of Matter:**

TN (DK) Expressways Limited (TNDK), which is a step-down subsidiary to the company, has taken loans from different financial institutions. Now those loans became NPAs.





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Interest on such loans has been provided for till the day of becoming NPAs and to the extent interest has been paid afterwards. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.

An amount of Rs.19.05 Crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The provision for MMR has not been provided in accordance with the future requirements as estimated.

### Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

12. The independent auditors of "Ranchi Expressways Limited (REL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31,2021 which are reproduced below:

### Emphasis of Matter:

Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 laneing of Ranchi-Rangoan-Jamshedpur section of





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NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis for a concession period of 15 years. This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period.

The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 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 [as informed by the company]. Since 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 (CCIE).

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

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the company on 11-6-2021 and the investigation is under progress.

An amount of Rs.404.23 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

Cost incurred on the project up-to 31st March, 2021 Rs. 12,96,14,16,023/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 12,96,14,16,023/- and understatement of cumulative loss by the same amount.





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

Our opinion is not modified in respect of these matters.

**Other Matters:**

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

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

A Krishna Rao  
Partner

M.No:020085

UDIN:- 21020085AAAAQM8873



Place: Hyderabad

Date: 09-07-2021





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### **Annexure to Auditors Report:**

#### **Subsidiaries**

- 1) Madhucon Infra Limited
- 2) Madurai Tuticorin Expressways Limited
- 3) Madhucon Mega mall Pvt Ltd
- 4) Nama Hotels Pvt Ltd
- 5) Madhucon Heights Pvt Ltd

#### **Step Down Subsidiaries**

- 6) TN (DK) Expressways Ltd
- 7) TrichyTanjavur Expressways Ltd
- 8) Chhapra Hajipur Expressways Ltd
- 9) Barasa Krishnagar Expressways Ltd
- 10) Ranchi expressways Ltd
- 11) Madhucon Toll Highways Ltd
- 12) Vijayawada-Machilipatnam Limited
- 13) Rajauli Bakthiyapur Expressways Limited
- 14) PT Madhucon Indonesia

#### **Associates**

- 15) Madhucon Properties Limited



**Replies to Audit Qualification:**

The company has reported the Audited standalone 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 09.07.2021 and approved by the Board of Directors of the Company at the meeting held on 09.07.2021.

1. Madhucon Projects Limited invested in M/S. Simhapuri Energy Limited, which is one of step down subsidiary, amounting to Rs.22727 Lakhs. The Hon'ble National Company Law Tribunal (NCLT) admitted the Corporate Insolvency Resolution Process (CIRP) and the company has made provision for impairment on investments in previous year. The company has written off the same against the provision made in previous year.
2. The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries listed in that note no 2, which have been incurring losses, the company, taking into account the internal assessment and initiatives to be implemented to improve the profitability 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.
3. The Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Telangana housing Board at Kukatpally in Hyderabad. The company is awaiting the Government approval to start the project. The management of the company is confident in completing the project and the carrying values of investments and loans sanctioned to MMMPL are realizable at the values stated in the Books of Account of Rs. 3500 Lakhs and Rs. 135.21 Lakhs respectively.
4. The outstanding Loans and Advances which were granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" in which the Company's Directors have Interest, are realizable at the Carrying Values in the Books of Accounts taking into account the internal assessment and initiatives to be implemented to improve the profitability in the medium to long term.
5. The company is taking steps for remitting the unpaid dividend from the unpaid dividend account to Investor Educational and Protection Fund (IEPF) for FY 2008-09 to FY 2010-11.

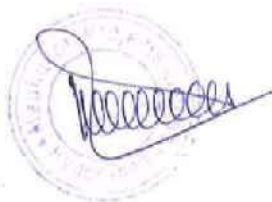
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6. The Company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68662.61 Lakhs and Rs.4522.22 Lakhs respectively as per books of accounts. All the loans outstanding were classified as NPA by the Banks and financial institutions. The company is in the process of One Time Settlement (OTS) with the banks for outstanding loans and is expected to close the outstanding loans shortly as the OTS proceedings are in final stages.
7. Confirmation of balances could not be obtained due to various reasons including impact of Covid – 19 as at 31<sup>st</sup> March, 2021 for various trade payables, borrowings and advances even though management has requested for the confirmation of balances. Management believes that no material adjustment would be required in books of account upon the receipt of these confirmations.
8. 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.
9. The company is taking steps to file the pending GST Returns for FY 2020-21.
10. The company has made payments towards managerial remuneration which is subject to the approval of the Banks and financial institutions.
11. CBI filed the FIR against REL and its promoters, (a step down subsidiary of the company) and subsequently the Enforcement Directorate had raided the premises and the investigation is under process. Company is co-operating to the authorities in their investigation by providing the information sought by them.
12. Madhucon infra Limited (MIL), which is a subsidiary to the company, as defaulted in repayment of dues to Banks and financial institutions (excluding debentures) amounting to Rs. 17.18 Crores and Rs.16.57 Crores respectively the loans outstanding were classified as NPA by the Banks and Financial Institutions. The company is negotiating with the ICICI, Financial institutions towards OTS settlement.
13. Madhucon Infra Limited has submitted One Time Settlement proposal with IFCI and it was agreed to accept Rs.70 Cr towards full and final settlement. The company has paid Rs.10.50 Cr up to 31/03/2021. The company has requested the IFCI for revision in the OTS amount.
14. "Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in West Bengal State. The Construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the projects to NHAI on 31st December, 2015. BKEL 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'

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(SAROD) Committee for arbitration. NHAH Had also issued notice for termination of the project vide its letter dated 3rd May 2016 and BKEL had replied that the notice is not valid. Both BKEL and NHAH appointed arbitrators. The arbitration proceedings are in progress with SAROD". As the borrowings from secured lenders have been declared as Non-performing asset by the lenders, interest on related borrowings have not been accounted for.

15. Rajauli - Bakhtiyarpur Project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31.03.2021 Rs. 815.40 lakhs instead of writing-off, has been accounted as claims receivable under the head "other Current Assets. The company has sent notice to Bihar State Road Development Corporation (BSRDC) to refer the matter to the arbitration for recovery of expenditure spent on the project which is under process.

16. Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a subsidiary to the Company, was Incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Lining of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Km.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT (Toll) Basis, under NHDP Phase III . This project was awarded by National Highway Authority of India (NHAH). The Company was to hand over the Project Highway to NHAH on the expiry of the concession period of 20 years.

As per the Agreement, NHAH failed to hand over 80% land within six months of the Agreement. NHAH have failed to do so, because of which company filed claims. NHAH terminated the Concession Agreement even though NHAH failed to issue ROW and further confirmed vide its letter dated 27th August,2014. Company has filed a claim with NHAH and company has got arbitration award. The company filed execution petition and simultaneously NHAH also filed an appeal against award passed by arbitration tribunal. The matter is still pending.

17. Madurai-Tuticorin Expressways limited and Trichy Thanjavur Expressways Limited which are subsidiaries of the company taken loans from different financial institutions and those loans became NPA's due to short fall in traffic against the estimated traffic by NHAH. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company is in the process of finding investor for the project. The company has submitted One Time Settlement Proposal to Lenders which is under process.

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18. TN (DK) Expressways limited Expressways Limited which is subsidiary of the company obtained loans from different financial institutions and those loans became NPA's due to short fall in traffic against the estimated traffic by NHAI. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company has submitted OTS proposals which are in process with financial institutions.

19. 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 NHAI. The Company shall hand over the Project to NHAI on expiry of the Concession Period. The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 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 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 the consent vide it's letter dated 18-04-2019. The company has submitted the claim with NHAI. The arbitration proceedings were commenced."

Further the company has submitted OTS proposal to the lenders which is under process.

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

  
**(N. Seethaiah)**  
**Managing Director**  
**DIN: 00784491**



**Date: 09-07-2021**  
**Hyderabad.**