



MADHUCON

Ref.: MPL/FIN/BM/AFR/2024-25 PROJECTS LIMITED
CIN: L74210TG1990PLC011114

Date: 18-05-2024

To

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

Sub.: Outcome of the Board Meeting held on 18th May, 2024

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we would like to inform you that in the meeting of Board of Director of M/s Madhucon Projects Ltd., held on **Saturday, 18th May, 2024**, the Board has inter-alia approved the following items:

1. Approved **Audited Standalone and Consolidated Financial Results** of the company for **the quarter and year ended 31st March, 2024** along with Auditors' Report in terms of Regulation 33 (3) (a) and (b) of SEBI (LODR) Regulations 2015 and the Board declares that the said Auditor's Reports are issued with **modified opinion** by the Statutory Auditors M/s P. Murali & Co., Chartered Accountants. In this regards, attached duly signed reply in Annexures with statement for your records
2. Based on the recommendation of Nomination and Remuneration Committee, approved reappointment of Mr. Mohammad Shafi (DIN: 07178265) as Joint Managing Director of the Company for a period of 3 years with effect from 30th May, 2024, subject to the approval of shareholders.
3. Based on the recommendation of Nomination and Remuneration Committee, approved continuation of Mr. Ramadas Kasameni (DIN: 02182093) as Non-Executive Independent Director of the Company on attaining and beyond the age of 75 (Seventy Five) years, subject to the approval of shareholders by Special Resolution under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.
4. Meeting of the Board of Directors commenced at **11:00 A.M** and concluded at **21:25 P.M.**

Kindly take them on record.

Thanking you,
For Madhucon Projects Limited



(D. Malla Reddy)
Company Secretary & Compliance Officer

Attached as above



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

Tel : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.p murali.com

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

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

Report on the audit of the Standalone Ind AS Financial Results

Qualified Opinion:

We have audited the accompanying standalone quarterly financial results of M/S. MADHUCON PROJECTS LIMITED ("the Company") for the quarter ended 31st March, 2024 and the year to date results for the period from 1st April, 2023 to 31st March, 2024, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("The Listing Regulations").

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

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the Net Loss and other comprehensive loss and other financial information for the quarter ended 31st March, 2024 as well as the year to date results for the period from 1st April, 2023 to 31st March, 2024.

Basis for Qualified Opinion:

1. We refer to the carrying value of Equity Investments of Rs 1,03,662.52 lakhs held in subsidiaries/other companies and other investments of Rs 5624.18 lakhs held in subsidiaries/other companies, some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and other investments whether any provision for impairment in the value of Equity Investments and





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other investments is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.

In the case of Madhucon Infra Limited, a subsidiary, the management basing on the valuation Reports on "Investment in Madhucon Infra Limited" concluded that the value of this Investment is Nil and has written off an amount of Rs. 30,550.68 Lakhs being 25% of the Investment held, instead of writing off complete value of investment. For the balance 75% of the Investment no provision for impairment is made in the books of account as at 31st March, 2024.

In the absence of proper justification, we are not able to ascertain the basis of such partial write off.

2. "The Company "has written off loan given to Madhucon Infra Limited a subsidiary amounting to Nil/Rs.4,263.07 Lakhs for the quarter ended/ Year ended 31st March, 2024 respectively, being partial amount of loan, instead of writing off the total outstanding of Rs.12,918.41 lakhs.

In the absence of proper justification, we are not able to ascertain the basis of such partial write off.

3. "The company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 33,369.17 lakhs and Rs 3,370.51 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Interest on these loans have not been provided for the FY 2018-19 to FY 2023-24. Dues in case of some banks were settled through "One time settlement" and an amount of Rs. 12,503.97 Lakhs, being the benefit of OTS, has been accounted during the quarter ended 31st March, 2024.

Further, in case of other banks except in case of Canara bank, OTS agreements have been entered. Balance confirmation in respect of the loan from Canara Bank has not been obtained.

4. "The Company "has written back Trade Payables amounting to Rs. 8,103.63 Lakhs and Rs.9,542.19 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

5. "The Company "has written back Other Payables (including Interest payable) amounting to Rs 1,921.36 lakhs and Rs 2,089.20 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.





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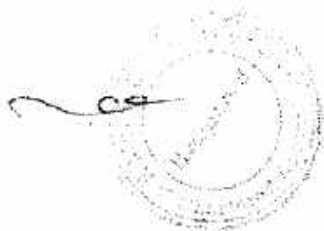
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6. "The Company" has written off advances to Other Parties amounting to Nil/Rs. 393.95 Lakhs for the quarter ended/ Year ended 31st March, 2024.
7. "The Company" has not remitted Tax Deducted at source (TDS) amounting to Rs. 11.57 Lakhs for the quarter ended 31st March, 2024 and Rs. 11.57 lakhs for year ended 31st March, 2024.
8. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 3.73 Lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).

9. Undisputed Statutory dues in case of following are outstanding:

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 2016-17	139.93
2	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	70.24
3	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	396.86

10. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 138.68 Lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
11. The Turnover, Output GST and Input GST credits as per the books of account are subject to reconciliation with the GST returns filed.
12. Internal Audit has not been conducted for the period 1st April 2023 to 31st March 2024.
13. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.





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14. SREI Equipment Finance Limited filed to "NCLT" for restoration of application of Corporate Insolvency Resolution process (CRIP) against "The Company", which has been admitted vide its order dated 08.12.23.

Subsequently, "the Company" filed an appeal with NCLAT and the impugned order dated 08.12.2023 of NCLT was set aside and remanded back to the NCLT for fresh review vide order dated 12.12.2023. Later on, the financial creditor and "the Company" have initiated the process of settlement on 18.01.2024 by restructuring the existing loan and submitted a joint memo stating the same to "The Hon'ble National Company Law Tribunal" (NCLT) on 05.02.2024.

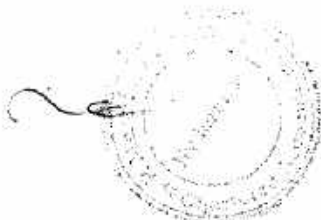
SREI Equipment Finance Limited has approved for Restructuring of existing loan dues for a final settlement of Rs. 4,952.00 Lakhs, vide its letter dated 02.02.2024. As per agreed terms & conditions, "the company" has paid upfront payment of 20% of Restructured loan and one instalment, total amounting to Rs. 1685.65 Lakhs as of 31st March, 2024.

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

15. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is still under progress.

16. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs.96.21 Crore and Rs.80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters which included the properties of Madhucon Projects Limited and group companies in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002.

17. In case of Ranchi Expressways Ltd (REL) a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CRIP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted the next hearing on 07.06.2024.





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Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs and has Trade Receivables of Rs.8,073.69 lakhs in the above step down subsidiary for which provision has not been made.

18. In case of M/s. Trichy-Thanjavur Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 18.06.2024

Madhucon Projects Limited has made an Investment of Rs.10 lakhs and advances of Rs. 42.82 lakhs in the above step down subsidiary for which provision has not been made.

19. In case of Barasat - Krishnagar Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 26.06.2024.

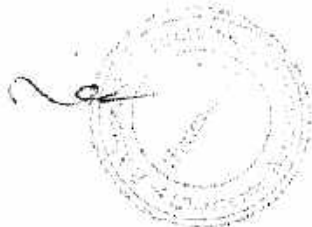
Madhucon Projects Limited has made an Investment of Rs.1.40 lakhs in the above step down subsidiary for which provision has not been made.

20. In the absence of confirmation of some of the Trade payables, Trade Receivables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable. Some of the payables to parties are shown by netting off with the other receivables.

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

Matters Relating to Going Concern

"The Company's" current liabilities exceeded current assets amounting to Rs. 92,331.50 Lakhs and "The Company" has defaulted in payment of dues to banks and financial institution. All these events indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of settlement of dues under OIS in case of some banks and approval for restructure of loan for settlement of dues by the financial institution





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and its continuing discussions with its other lenders to obtain approval for and an appropriate debt resolution plan and also, that "The company" will continue to be in operation in the foreseeable future.

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

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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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.
- 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



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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.

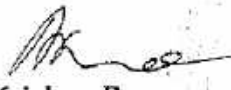
- Evaluate the overall presentation, structure, and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The Financial Results include the results for the quarter ended 31st March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

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


A Krishna Rao
Partner
Membership No:020085
UDIN: 24020085BKAUHG9078

Place: Hyderabad
Date: 18-05-2024

MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

		₹ in Lakhs)				
Sl. No	Particulars	Standalone				
		Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	Audited	
I	Revenue from Operations	27,156.11	25,603.91	33,201.59	95,124.33	90,080.64
II	Other income	23,280.08	309.34	848.17	25,442.41	13,404.78
III	Total Income (I+II)	50,436.20	25,913.25	34,049.77	1,20,566.74	1,03,485.42
IV	Expenses:					
	(a) Cost of Materials Consumed	19,318.03	24,468.05	26,721.34	81,834.01	77,911.03
	(b) Employee benefits expense	449.74	410.90	545.46	1,874.02	1,939.41
	(c) Financial Costs	115.73	443.31	68.70	724.02	202.97
	(d) Depreciation and amortisation expense	156.22	154.34	238.95	611.26	581.96
	(e) Other expenses	31,264.67	882.93	7,253.68	37,553.88	24,411.64
	Total Expenses	51,304.39	26,359.53	34,828.12	1,22,597.19	1,05,047.00
V	Profit/(Loss) Before Exceptional Items and tax (III-IV)	(868.19)	(446.28)	(778.36)	(2,030.45)	(1,561.58)
VI	Exceptional items	-	-	-	-	-
VII	Profit/(Loss) Before Tax (3-4)	(868.19)	(446.28)	(778.36)	(2,030.45)	(1,561.58)
VIII	Tax Expense					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-	-	-
	c) Deferred Tax	(598.07)	(212.45)	(1,232.68)	(1,003.51)	(2,007.69)
	Total Tax (a+b)	(598.07)	(212.45)	(1,232.68)	(1,003.51)	(2,007.69)
IX	Profit/(Loss) from Continuing operations (VII-VIII)	(270.12)	(233.84)	454.32	(1,026.94)	446.11
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-	-
XII	Profit/(Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-
XIII	Profit/Loss for the period (IX+XII)	(270.12)	(233.84)	454.32	(1,026.94)	446.11
	Attributable to:					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling interest	-	-	-	-	-
XIV	Other Comprehensive Income (net of tax)					
	A) Items that will not be reclassified to profit or loss					
	(i) Re-measurement gains/(losses) on defined benefit plans	47.35	-	43.10	47.35	43.10
	Share of Other Comprehensive income transferred to Non Controlling interest	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	Share of Profit/(Loss) transferred to Non Controlling Interest	-	-	-	-	-
	Total Other Comprehensive income, net of tax	47.35	-	43.10	47.35	43.10
	Attributable to:					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling interest	-	-	-	-	-
XV	Total Comprehensive Income (XIII+XIV)	(222.77)	(233.84)	497.42	(979.59)	489.21
	Attributable to:					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling interest	-	-	-	-	-
XVI	Paid - up Equity Share Capital (Face value of Rs. 100/- each)	737.95	737.95	737.95	737.95	737.95
XVII	Tool Reserves, i.e Other equity	-	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)					
	- Basic and Diluted	(0.37)	(0.32)	0.62	(1.39)	0.60



Notes:

- 1 The above results have been reviewed by the Audit Committee at its meeting held on May 18th, 2024 and approved by the Board of Directors of the Company at its meeting held on May 18th, 2024. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended March 31st, 2024.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Standalone Audited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI ((Listing Obligation and Disclosure Requirements), Regulations, 2015.
- 4 Figures of the Quarter ended March 31st, 2024 and March 31st, 2023 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 repective years.
- 5 Figures of previous period have been regrouped / rearranged wherever necessary.

By order of the Board
for Madhucon Projects Limited



Place: Hyderabad
Date : May 18, 2024

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

(N. Seethalakshmi)

Managing Director
DIN: 00784491

A handwritten signature in black ink, appearing to read "J. Samba siva Rao".

(J. Samba siva Rao)

Director (F & A)
DIN: 09526475

Madhucon Projects Limited
Standalone Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2.1	2,866.86	3,195.30
(b) Financial Assets			
(i) Investments	2.2	1,09,286.70	1,39,837.38
(ii) Trade Receivables	2.3	8,073.69	7,952.77
(iii) Loans	2.4	10,112.67	12,918.41
(iv) Others Financial Assets	2.5	17,322.13	9,574.37
(c) Deferred tax Asset (Net)	2.6	5,579.56	4,576.05
(b) Other Non-Current Assets	2.7	13,656.85	12,939.80
Total Non-Current Assets		1,66,898.47	1,90,994.08
Current Assets			
(a) Inventories	2.8	55.09	210.23
(b) Financial Assets			
(i) Trade Receivables	2.9	4,327.78	414.15
(ii) Cash and Cash equivalents	2.10	553.99	474.41
(iii) Others Financial Assets	2.11	5,754.65	4,842.97
(c) Current Tax Asset (Net)	2.12	6,154.15	7,650.30
(d) Other Current Assets	2.13	9,041.10	11,338.95
Total Current Assets		25,886.77	24,931.01
Total Assets		1,92,785.24	2,15,925.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	2.14	740.32	740.32
(b) Other Equity	2.15	51,700.68	52,680.27
Total Equity		52,441.01	53,420.60
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade Payables	2.16	8,092.79	7,214.26
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.]			
(iii) Other Financial Liabilities	2.17	50.97	71.22
(b) Provisions	2.18	78.52	110.56
(c) Other Non-Current Liabilities	2.19	13,903.68	954.01
Total Non-Current Liabilities		22,125.96	8,350.05
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.20	36,739.68	53,347.94
(ii) Trade Payables	2.21	36,723.60	45,514.38
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.]			
(iii) Other Financial Liabilities	2.22	11,815.26	13,955.78
(b) Other Current Liabilities	2.23	25,390.48	34,713.05
(c) Provisions	2.24	5,245.82	5,246.15
(d) Current Tax Liabilities (Net)	2.25	2,303.44	1,377.15
Total Current Liabilities		1,18,218.28	1,54,154.44
Total Equity and Liabilities		1,92,785.24	2,15,925.09

Significant accounting policies & Notes to accounts 1 & 2

The accompanying notes are an integral part of the standalone financial statements

As per our reported even date annexed



For and on behalf of the Board


(N. Seethalab) (J. Samba siva Rao)

Managing Director Director (F & A)

DIN-00784491

DIN: 09526475

Place : Hyderabad

Date : May 18, 2024

Madhucon Projects Limited

Standalone Cash Flow Statement for the year ended March 31, 2024

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


(₹ in Lakhs)

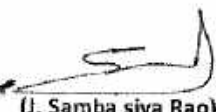
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A Cash flow from operating activities		
Profit/(loss) before income tax	(2,030.45)	(1,561.58)
Adjustments for:		
Exceptional Item	-	-
Depreciation and amortisation expense	611.26	581.96
Dividend and interest income classified as investing cash flows	(185.47)	(36.75)
Finance costs	724.02	202.97
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(4,034.56)	337.60
(Increase) decrease in inventories	155.13	172.20
(Increase)/decrease in other financial assets	(8,659.44)	9,448.12
(Increase)/decrease in other current and non-current assets	3,076.96	669.40
Increase/(decrease) in Loans	2,805.74	12,849.23
Increase/(decrease) in trade payables	(7,912.24)	(13,365.15)
Increase/(decrease) in other financial liabilities	(2,145.80)	(1,084.33)
Increase/(decrease) in other current and non-current liabilities	4,553.39	577.40
Increase/(decrease) in Non current Investments	30,550.68	9,001.00
Cash generated from operations	17,509.22	17,792.07
Income taxes paid	-	-
Net cash inflow from operating activities	17,509.22	17,792.07
B Cash flows from investing activities		
Payments for property, plant and equipment	(282.82)	39.20
Payments for purchase of Investments	-	-
Dividend paid	-	-
Interest received	185.47	36.75
Net cash outflow from investing activities	(97.35)	75.95
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	-	-
Proceeds from short term borrowings (net)	(16,608.26)	(18,248.54)
Interest paid	(724.02)	(202.97)
Net cash outflow from financing activities	(17,332.28)	(18,451.51)
Net increase/(decrease) in cash and cash equivalents	79.59	(583.49)
Cash and cash equivalents at the beginning of the financial year	474.41	1,057.89
Cash and cash equivalents at end of the year	553.99	474.41
Reconciliation of cash and cash equivalents as per the cash flow statement		
	31 March, 2024'	31 March, 2023'
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	553.99	474.41
Balances per statement of cash flows	553.99	474.41

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

For and on behalf of the Board




 (N. Secularati)
 Managing Director
 DIN-00784491


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

Place: Hyderabad
Date : May 18, 2024

ANNEXURE I

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

[₹ In Lakhs]

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
(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	1,20,566.74	Not Ascertainable
	2	Total Expenditure	1,22,597.19	Not Ascertainable
	3	Net Profit/(Loss)	(1,026.94)	Not Ascertainable
	4	Earnings Per Share	(1.39)	Not Ascertainable
	5	Total Assets	1,92,785.24	Not Ascertainable
	6	Total Liabilities	1,40,344.23	Not Ascertainable
	7	Net Worth	52,441.01	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 Medhucon Projects Limited


(S. Venkateswarlu)
Managing Director
DIN: 00784491




(K. Venkateswarlu)
Director cum CFO
DIN: 09713108


(Ramadas Kasarineni)
Chairman of Audit Committee
DIN: 02182093

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


(A. Krishna Rao)
Partner
Membership No. 020085

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

Tel. : (91-40) 2332 6666, 2331 2554
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Email : pmurali.co@gmail.com
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Independent Auditor's Report on Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Report on the audit of the Consolidated Ind AS Financial Results

1. Qualified opinion

We have audited the accompanying statement of consolidated financial results ("the statement") of M/S MADHUCON PROJECTS LIMITED ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as, 'the Group'), for the quarter ended 31st March 2024 and for the period from 1st April, 2023 to 31st March, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Requirements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on subsidiaries and stepdown subsidiaries of the Group referred to in below Paragraph 6 and except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the year-to-date consolidated financial statement:

- i) Includes the results of the entities listed in Annexure-1,
- ii) Are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Requirements") and
- iii) Except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, give a true and fair view in conformity with the Indian Accounting standards and other accounting principles generally accepted in India of the consolidated loss and total comprehensive loss and other financial information of "the Group" for the quarter and year ended 31st March, 2024.



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2. Basis for Qualified Opinion

a) In case of the "Holding Company", matters as reported in the Standalone Financials, are reproduced below:

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

In the case of Madhucon Infra Limited, a subsidiary, the management basing on the valuation Reports on "Investment in Madhucon Infra Limited" concluded that the value of this Investment is Nil and has written off an amount of Rs. 30,550.68 Lakhs being 25% of the Investment held, instead of writing off complete value of investment. For the balance 75% of the Investment no provision for impairment is made in the books of account as at 31st March, 2024.

However, in the books of Madhucon Infra Limited, the share capital of Madhucon Projects Limited is continued to be shown at original value of Investment and being consolidated.

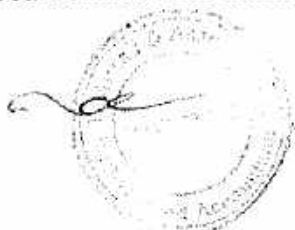
In the absence of proper justification, we are not able to ascertain the basis of such partial write off.

ii. "The Company" has written off loan given to Madhucon Infra Limited a subsidiary amounting to Nil/Rs.4,263.07 Lakhs for the quarter ended/ Year ended 31st March, 2024 respectively, being partial amount of loan, instead of writing off the total outstanding of Rs.12,918.41 lakhs.

In the absence of proper justification, we are not able to ascertain the basis of such partial write off.

iii. "The company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 33,369.17 lakhs and Rs 3,370.51 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Interest on these loans have not been provided for the FY 2018-19 to FY 2023-24. Dues in case of some banks were settled through "One time settlement" and an amount of Rs. 12,503.97 Lakhs, being the benefit of OTS, has been accounted during the quarter ended 31st March, 2024.

Further, in case of other banks except in case of Canara bank, OTS agreements have been entered. Balance confirmation in respect of the loan from Canara Bank has not been obtained.





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iv. "The Company" has written back Trade Payables amounting to Rs. 8,103.63 Lakhs and Rs.9,542.19 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

v. "The Company" has written back Other Payables (including interest payable) amounting to Rs 1,921.36 lakhs and Rs 2,089.20 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

vi. "The Company" has written off advances to Other Parties amounting to Nil/Rs. 393.95 Lakhs for the quarter ended/ Year ended 31st March, 2024.

vii. "The Company" has not remitted Tax Deducted at source (TDS) amounting to Rs. 11.57 Lakhs for the quarter ended 31st March, 2024 and Rs. 11.57 lakhs for year ended 31st March, 2024.

viii. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 3.73 Lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).

ix. Undisputed Statutory dues in case of following are outstanding:

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 2016-17	139.93
2	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	70.24
3	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	396.86

x. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 138.68 Lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.

xi. The Turnover, Output GST and Input GST credits as per the books of account are subject to reconciliation with the GST returns filed.

xii. Internal Audit has not been conducted for the period 1st April 2023 to 31st March 2024.





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

xiv. SREI Equipment Finance Limited filed to "NCLT" for restoration of application of Corporate Insolvency Resolution process (CRIP) against "The Company", which has been admitted vide its order dated 08.12.23.

Subsequently, "the Company" filed an appeal with NCLAT and the impugned order dated 08.12.2023 of NCLT was set aside and remanded back to the NCLT for fresh review vide order dated 12.12.2023. Later on, the financial creditor and "the Company" have initiated the process of settlement on 18.01.2024 by restructuring the existing loan and submitted a joint memo stating the same to "The Hon'ble National Company Law Tribunal" (NCLT) on 05.02.2024.

SREI Equipment Finance Limited has approved for Restructuring of existing loan dues for a final settlement of Rs. 4,952.00 Lakhs, vide its letter dated 02.02.2024. As per agreed terms & conditions, "the company" has paid upfront payment of 20% of Restructured loan and one instalment, total amounting to Rs. 1685.65 Lakhs as of 31st March, 2024.

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

xv. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is still under progress.

xvi. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs.96.21 Crore and Rs.80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters which included the properties of Madhucon Projects Limited and group companies in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002.



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xvii. In case of Ranchi Expressways Ltd (REL) a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CRIP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted hearing on 07.06.2024.

Madhucon Projects Limited has made an investment of Rs.1.40 lakhs and has Trade Receivables of Rs.8,073.69 lakhs in the above step down subsidiary for which provision has not been made.

xviii. In case of M/s. Trichy-Thanjavur Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 18.06.2024

Madhucon Projects Limited has made an Investment of Rs.10 lakhs and advances of Rs. 42.82 lakhs in the above step down subsidiary for which provision has not been made.

xix. In case of Barasat - Krishnagar Expressways Limited a step down subsidiary of Madhucon Projects Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 26.06.2024.

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

xx. In the absence of confirmation of some of the Trade payables, Trade Receivables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable. Some of the payables to parties are shown by netting off with the other receivables.

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





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Matters Relating to Going Concern

"The Company's" current liabilities exceeded current assets amounting to Rs. 92,331.50 Lakhs and "The Company" has defaulted in payment of dues to banks and financial institution. All these events indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of settlement of dues under OTS in case of some banks and approval for restructure of loan for settlement of dues by the financial institution and its continuing discussions with its other lenders to obtain approval for and an appropriate debt resolution plan and also, that "The company" will continue to be in operation in the foreseeable future.

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

b) In case of subsidiary- "Madhucon Infra limited", the matters as reported in the standalone financials are reproduced below:

i. The Company's Current Liabilities exceeded Current Assets by Rs. 73,083.29 Lakhs and net worth is fully eroded which indicates a material uncertainty that cast a significant doubt on the Company's ability to continue as a going concern.

ii. We refer to the carrying value of investments of Rs 9,406.97 lakhs held in subsidiaries/other companies and Other investments (Unsecured Loans and advances) of Rs 45,477.81 lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and Other investments (Unsecured Loans and advances); whether any provision for impairment in the value of investments and Other investments (Unsecured Loans and advances) is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.



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iii. Has made a provision of Rs. 1,957.96 lakhs and Rs.7963.30 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively towards impairment on investment in equity and other investments made in its subsidiaries. In the absence of fair valuation of the same, we are unable to comment on the adequacy of the provisions made.

iv. Has written back loan from Madhucon Projects Limited amounting to Nil for the quarter ended 31st March, 2024 and Rs.4,263.07 Lakhs for the Year ended 31st March, 2024 respectively, being partial amount of loan, instead of writing off the total outstanding of Rs.12,918.41 lakhs.

In the absence of proper justification, we are not able to ascertain the basis of such write back.

v. Has written back other Payables amounting to Rs. 0.55 lakhs and Rs. 1.67 Lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

vi. Has written off Property, Plant and Equipment amounting to Nil and Rs 5.77 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

vii. Has written off Investment in Madhucon Toll Highways Limited amounting to Nil and Rs 5,126.20 lakhs for the quarter ended 31st March, 2024 and for the Year ended 31st March, 2024 respectively.

viii. Internal Audit has not been conducted for the period from 1st April,2023 to 31st March, 2024.

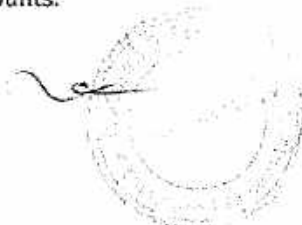
ix. In case of M/s. Trichy-Thanjavur Expressways Limited a subsidiary of Madhucon Infra Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 18.06.2024

Madhucon Infra Limited has given an advance of Rs. 5,000.35 Lakhs to the above subsidiary. As of the date, Impairment Provision of Rs. 1,492.61 Lakhs is only made against the said advance in the books of accounts.

x. In case of Ranchi Expressways Ltd (REL) a subsidiary of Madhucon Infra Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CRIP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted hearing on 07.06.2024.

Madhucon Infra Limited has given an advance of Rs. 26,668.16 Lakhs to the above subsidiary. As of the date, Impairment Provision of Rs. 8,000.45 Lakhs is only made against the said advance in the books of accounts.

Madhucon Infra Limited has an Investment of Rs. 1.60 lakhs in the above subsidiary. As of the date, Impairment Provision of Rs. 0.48 Lakhs is only made against the said advance in the books of accounts.





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xi. In case of Barasat – Krishnagar Expressways Limited a subsidiary of Madhucon Infra Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 26.06.2024.

Madhucon Infra Limited has given an advance of Rs. 7,459.50 Lakhs to the above subsidiary. As of the date, Impairment Provision of Rs. 2,237.85 Lakhs is only made against the said advance in the books of accounts.

Madhucon Infra Limited has an Investment of Rs. 1.60 lakhs in the above subsidiary. As of the date, Impairment Provision of Rs. 0.48 Lakhs is only made against the said advance in the books of accounts.

xii. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated 24th February,2020. In terms of settlement, OTS amount of Rs.70 Crores was to be paid by the company in three instalments. However, the company made total payment of 15.5 crores up to 31st March,2023 and has represented to IFCI to reduce the OTS amount from Rs 70 Crores to Rs 51 Crores.

Subsequently, IFCI Ltd had approved full and final settlement of dues of Rs. 51 crores to be paid within 9 months vide its letter dated 19th June, 2023. During the year Company has defaulted in payment of these dues as per terms and conditions. Out of Rs. 51 crores an amount of Rs. 29.5 crore is only paid during the year.

xiii. Balances as at 31st March,2024 in respect of certain Debtors and Creditors in case of some of the subsidiaries are subject to Confirmation and Reconciliation.

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

Matters Relating to Going Concern

The company, has accumulated losses and also, current liabilities exceeded current assets and the company has defaulted in respect of instalments and interest on loans and debentures, affecting the company's ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate as company is in discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan and will continue to be in operation in the foreseeable future.



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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

c) In case of subsidiary- "Madhucon Mega Mall Private Limited", the matters as reported in the standalone financials are reproduced below:

Matters Relating to Going Concern

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

d) In case of subsidiary- "Madhucon Heights Private Limited", the matters as reported in the standalone financials are reproduced below:

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

e) In case of subsidiary- "Madhucon Toll Highways Limited", the matters as reported in the standalone financials are reproduced below:

i. We refer to the carrying value of investments of Rs.19,617.26 Lakhs held in subsidiaries/other companies and other investments (Unsecured Loans and advances) of Rs. 7,636.19 Lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. The Company has made provision for impairment on the basis of internal evaluation. But, in the absence of fair value, we cannot ascertain whether the impairment made is adequate.

ii. In case of M/s. Trichy-Thanjavur Expressways Limited a co - company of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 18.06.2024.

Madhucon Toll Highways Limited has an investment of Rs. 1,532.00 lakhs in Trichy-Thanjavur Expressways Limited (As of the date, Impairment Provision of Rs. 306.40 Lakhs is only made against the said advance in the books of accounts).





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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurall.com

- iii. In case of Ranchi Expressways Ltd (REL) a co - company of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.12.2023 admitted the Corporate Insolvency resolution process (CRIP), for a petition filed by State Bank of India. Ranchi Expressways Ltd (REL) has made an appeal to "The Hon'ble NCLAT" and "The Hon'ble NCLAT" has deferred the impugned order given by NCLT and posted hearing on 07.06.2024.

Madhucon Toll Highways Limited has given an advance of Rs. 2,895.23 Lakhs in Ranchi Expressways Ltd (As of the date, Impairment Provision of Rs. 579.05 Lakhs is only made against the said advance in the books of accounts).

Madhucon Toll Highways Limited has an investment of Rs. 8,075.00 lakhs in Ranchi Expressways Ltd (As of the date, Impairment Provision of Rs. 1,615.00 Lakhs is only made against the said advance in the books of accounts)

- iv. In case of Barasat - Krishnagar Expressways Limited a co - company of Madhucon Toll Highways Limited, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 26.06.2024.

Madhucon Toll Highways Limited has made advances of Rs. 1,700.00 lakhs in Barasat - Krishnagar Expressways Limited (As of the date, Impairment Provision of Rs. 340.00 Lakhs is only made against the said advance in the books of accounts)

Madhucon Toll Highways Limited has an investment of Rs. 4,335.00 lakhs in Barasat - Krishnagar Expressways Limited (As of the date, Impairment Provision of Rs. 867.00 Lakhs is only made against the said advance in the books of accounts)

3. Material uncertainty related to going concern of "the Group"

"The Group's" current liabilities exceeded current assets and "The Holding Company" has defaulted in payment of dues to banks and financial institution and there are adverse observations in the Audit Reports of "The Holding Company" and Subsidiaries/ Sub-Subsidiaries. All these indicate a material uncertainty existing that may cast a significant doubt on "The Group's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the Consolidated Ind AS financial statements of "the Group" is still appropriate in view of settlement of dues under OTS in case of some banks and approval for restructure of loan for settlement of dues by the financial institution and its continuing discussions with its other lenders to obtain approval for and an appropriate debt resolution plan by the "The Holding Company" and also, that "The Group" will continue to be in operation in the foreseeable future.



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

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(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

4. Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year-to-date consolidated financial results have been prepared on the basis of the financial statements.

"The Holding Company's" Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive Loss and other financial information of "the Group" in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in "the Group" are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of "the Group" 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of "the Holding Company", as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in "the Group" are responsible for assessing the ability of "the Group" to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate "the Group" or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in "the Group" are responsible for overseeing the financial reporting process of "the Group".

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial results.

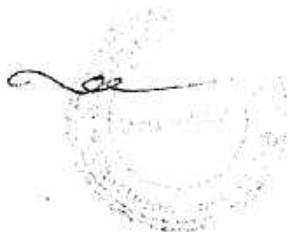


P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
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Email : pmurali.co@gmail.com
info@pmurali.com
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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 consolidated 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 controls.
- 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 Group" 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 ability of "the Group" 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 consolidated 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 Group" to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within "the Group" to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.





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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
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Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.p murali.com

We communicate with those charged with governance of the "Holding Company" and such other entity included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

6. 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. 3,44,273.02 Lakhs as at March 31, 2024, total Revenue of Rs. 15,641.21 Lakhs and Rs. 21,558.21 Lakhs and Total Comprehensive loss of Rs. 425.27 Lakhs and Rs. 4,222.78 Lakhs for the quarter ended 31st March 2024 and for the period from 1st April, 2023 to 31st March, 2024 respectively. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.

b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign stepdown subsidiary of the company included in the statement, whose financial statements comprise total assets, before elimination, of Rs. 27,560.47 Lakhs as at March 31, 2024, total Revenue of Nil and Nil and Total Comprehensive loss of Rs. 5.58 Lakhs and 17.70 Lakhs for the quarter ended 31st March 2024 and for the period from 1st April, 2023 to 31st March, 2024. The Financial statements / financial information of this company are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Foreign step down subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far it relates to the aforesaid stepdown subsidiary, is based solely on such unaudited financial statements / financial information.

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



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

Tel : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

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

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

M/s State Bank of India has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench. The Hon'ble NCLT, Hyderabad Bench passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, seeking relief and the Hon'ble NCLAT has given stay on COC proceedings till 26-06-2024.

The above conditions associated with the outcome of CIRP proceedings indicate the existence of material uncertainties which casted significant doubt on the Company's abilities to continue as going concern.

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

However, in view of the above we are unable to obtain sufficient appropriate audit evidence to comment on the adjustment, if any, that may be required to be made and the consequential impact thereof on the accompanying financial statements.



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

Tel. : (91-40) 2332 6666, 2331 2564
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

Emphasis of Matter

- i. We draw attention to note no. 1 in the financial statements "The construction work is delayed due to pending approvals and right of way to be provided by NHAI. The Company had issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI had also issued notice for terminations of the project vide its letter dated 3rd May, 2016 and the company had replied that the notice is not valid. Both Company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.
- ii. The borrowings from secured lenders have been declared as non-performing assets by the lender. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. The cost incurred on the project till the closure of the financials dated 31-03-2024 is Rs. 5,82,52,97,106/-. The amount has been accounted as 'NHA1 Claim Receivables' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss.
- iv. As per the arbitral tribunal award dated 05-05-2022, the company is liable to pay the awarded claim to EPC contractor M/s Madhucon Projects Limited amounting Rs.396.06 crores. As this liability, which has been raised due to tribunal award has not been challenged by the company in any forum till date. As a result, the company needs to record the same as Liability in books of accounts.
- v. Receivables and payables are subject to external confirmation by the parties.
- vi. Company has failed to adhere to the regulations stated in section 203 of Companies Act 2013 regarding the appointment of Key Management Personnel, as well as provisions of 177 and 178 concerning the audit committee and nomination remuneration committee, section 138 concerning Internal Audit, appointment of company secretary and section 149 concerning to appointment of Independent Director.

Our opinion is not modified in respect of these matters.

CARO Report containing the qualifications or adverse remarks

The company has failed to adhere to the provisions of Section 185 of Companies Act, 2013, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantee or securities given.



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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

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

Material Uncertainty related to Going Concern

We draw attention to Note no 25 of the standalone financial statements, which indicates that the project awarded to **M/s Rajauli - Bakhtiyarpur Expressways Limited** by Bihar State Road Development Corporation Limited (BSRDC) with a Concession Period of 30 years which included a construction period of 30 months has been foreclosed with mutual consent due to the non-handling over of Right Of Way (ROW) as per terms of the Contract by BSRDC. These events or conditions, indicate that **a material uncertainty exists that casted a significant doubt on the Company's ability to continue as a going concern.** Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

Emphasis of Matter

- i. The cost incurred on the project till the closure of the financials dated 31-03-2024 is Rs. 8,19,97,531/-. The amount has been accounted as 'Claims Receivable from BSRDC against Expenditure incurred on the project' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss. Further, the amount receivable from BSRDC has not yet been ratified and has not been reconciled with that of BSRDC's books.
- ii. We draw attention to Note 27 to the Standalone financial statements, the company has approached BSRDC by invoking arbitral clause to initiate arbitration proceedings for the expenses incurred for the project. As informed and explained to us, statement of claims was initially filed on 04-03-2020 with BSRDC. The arbitration proceedings are currently in progress.
- iii. Bank balances, receivables and payables are subject to external confirmation.

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

c) Madurai Tuticorin Expressways Limited (MTEL)

Material Uncertainty related to Going Concern

We draw attention to **Note no. 49** of the standalone financial statements, which states that the project awarded to **M/s Madurai-Tuticorin Expressways Limited** has been terminated by NHAI on 17-03-2023 though company has commenced Periodic Maintenance works and its obligations. These



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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

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

Emphasis of Matter

- i. As detailed in Note 48 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced.
- ii. As detailed in Note 2.09 to the Standalone financial statements, company has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. As detailed in Note 52 to the Standalone financial statements, since the contract has been terminated in Financial Year 2022-23:
 - Fixed Assets and Intangible Assets have been completely written off;
 - Provisions created for Operations and Maintenance have been reversed;
 - Capital grant Income has been recognized in full.As a result, there is a significant impact on the financial statements and its ratios.
- iv. Receivables and payables are subject to external confirmation by the parties.
- v. Company has failed to adhere to the regulations stated in section 203 of Companies Act 2013 regarding the appointment of Key Management Personnel, as well as provisions of 177 concerning the audit committee, section 178 concerning in to nomination and remuneration committee, section 138 concerning internal audit, Section 148 concerning maintenance of cost records and cost audit, appointment of company secretary and section 149 concerning in to appointment of Independent Director and women Director.
- vi. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

CARO report containing the qualifications or adverse remarks

The company has failed to adhere to the provisions of Section 185 of Companies Act, 2013, in respect of loans to directors including entities in which they are interested and given. in respect of loans and advances given, investments made, guarantee or securities



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

Tel. : (91-40) 2332 6666, 2331 2564
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(91-40) 2332 2119, 2331 7032
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info@pmurali.com
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d) Vijayawada-Machilipatnam Expressways Limited

Material Uncertainties Relating to Going Concern

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

These events or conditions indicate that a *material uncertainty exists that casted a significant doubt on the Company's ability to continue as a going concern*. Based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

Emphasis of Matter

- i. Bank balances, receivables and payables are subject to external confirmation by the parties.

CARO report containing the qualifications or adverse remarks

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

e) TN (DK) Expressways Limited

Emphasis of Matter

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The arbitration is currently in progress.
- ii. TN (DK) Expressways Limited (TNDK) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. Receivables and payables including GST Account are subject to confirmation by the parties and share of gross collections to be deposited with NHAI has not been provided.
- iv. Company has failed to adhere to the regulations stated in section 203 of Companies Act 2013 regarding the appointment of Key Management Personnel, section 177 concerning the audit committee, section 178 concerning to nomination and remuneration committee, appointment of company secretary, section 149 concerning in to appointment of Independent Director, Section 138 concerning Internal Audit and Section 148 concerning maintenance of cost records.



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

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
Fax : (91-40) 2339 2474
Email : pmurali.co@gmail.com
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v. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

f) Trichy-Thanjavur Expressways Limited

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

M/s IDBI Bank Limited has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench - 1. The Hon'ble NCLT, Hyderabad Bench - 1 passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, Chennai seeking relief and the Hon'ble NCLAT has given stay on proceedings till 06-03-2024.

The above conditions associated with the outcome of CIRP proceedings indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern.

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

However, in view of the above we are unable to obtain sufficient appropriate audit evidence to comment on the adjustment, if any, that may be required to be made and the consequential impact thereof on the accompanying financial statements for the year ended March 2024.



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

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Uncertainties relating to Going Concern

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

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

Emphasis of Matter

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The status of the arbitration is currently in progress.
- ii. Trichy-Thanjavur Expressways Limited (TTEL) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. Since the contract has been terminated on 17-03-2023:
 - Fixed Assets and Intangible Assets have been completely written off;
 - Provisions created for operating and maintenance (O&M) expenses have been reversed;
 - Capital grant income has been recognized in full.As a result, there is a significant impact on the company's financial statements and its ratios.
- iv. Receivables and payables are subject to external confirmation by parties.
- v. Company has failed to adhere to the regulations stated in section 203 of the Companies Act 2013 regarding the appointment of Key Management Personnel, as well as provisions of 177 and 178 concerning the audit committee and nomination and remuneration committee, section 138 concerning internal audit, section 148 concerning maintenance of cost records, appointment of company secretary and section 149 concerning in to appointment of Independent Director.
- vi. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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



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g) Chhapra-Hajipur Expressways Limited

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, the loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

This contract was awarded by National Highway Authority of India (NHAI). The company shall hand over project to the NHAI on expiry of concession period. The Concession Agreement, on execution, will entitle the company to take a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. However, the company has not commenced the commercial operations till the date of balance sheet.

In this scenario, the management must recognise the amount receivable form NHAI as per IND AS 115 "Appendix D - Service Concession Arrangements"

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

With reference to notes to accounts stated in the financial statements 3, and the above stated accounting measurement as per IND AS, we differ our opinion, as the company has not complied with respective IND AS for arriving at the amount stated as "Project cost" in Non-current Assets amounting Rs. 1,16,847.60 Lakhs for FY 2023-24 and Rs.1,03,683.77 Lakhs for FY 2022-23.

2. The company has not recognized revenue of Rs. 79 lakhs which is in violation of IND AS 115.

3. With reference to notes to accounts stated in the financial statements 17 comprising of Borrowing Cost Rs. 2301.46 lakhs, the company has failed to deduct TDS under Section 194A.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by





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the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Emphasis of Matter

- i. We draw attention to Note 36.12 to the Standalone financial statements, loans taken from banks and financial institutions have become NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans except NHAI loan. The balances lying in the Bank current accounts are subject to external confirmation.
- ii. Receivables and payables are subject to confirmation by the parties.
- iii. Company has failed to adhere to the regulations stated in section 203 of Companies Act 2013 regarding the appointment of Key Management Personnel, as well as provisions of 177 and 178 concerning the audit committee and nomination and remuneration committee, appointment of company secretary, section 138 concerning Internal Audit and section 149 concerning in to appointment of Independent Director and Women Director.

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

h) Ranchi Expressways Limited

Basis for Qualified Opinion

- i. No Internal audit was conducted for the financial year as applicable under section 138 of the Companies Act, 2013 and relevant rules made thereunder.
- ii. The Company has not complied with the provisions of Indian Accounting Standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) Claims being Contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 1,33,794 Lakhs and understatement of Cumulative loss by the same amount.
- iii. Note 14 to the Financial Statements which describes the Outstanding balances of loans and interests thereon from Banks or financial institutions for which no Confirmations were received from banks.
- iv. The Company has defaulted on payment of Statutory Dues (PF & Professional tax), which was due and pending for more than 6 months,
- v. The company has not been complying with Chapter XVII-B of Income tax related to deposit of TDS deducted with the income tax authorities.



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

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(91-40) 2339 3967, 2332 1470
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vi. The company had not deposited works contract tax amounts to Rs.20.74 crores with the government authority.

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

However, because of the matters described in the above paragraphs, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Emphasis of matters:

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

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

ii) The company has achieved physical progress of 50.24% and about 10% is in WIP and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

iii) While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since the project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers.

iv) The NHAI had given its consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim to NHAI. The proceedings of CCIE commenced on 25-09-2019. CCIE vide their order dated 10-08-2020 informed that Both parties, despite their attempts at



P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
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reaching an amicable settlement of their disputes through conciliation before this committee, have not been successful. The committee hereby records the failure and closure of the conciliation proceedings on this matter. The company has initiated arbitration clause the arbitration committee formed, and arbitration proceedings commenced. EPC contractor has made claims against the company. On receipt of arbitration award the company will negotiate with the EPC Contractor to settle the claims. Note - 5.2 to the financial statements which describe the reconciliation of outstanding balances of loans including interest thereon between books and confirmations from banks or financial institutions.

v) CBI has filed FIR against the Company, Promoters, Directors and Holding Companies on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the Company on 11-06-2021 and the ED is collecting information and investigation is under progress.

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

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

viii) Again NCLAT had passed the order dated 19.03.2024 directed to list the matter on 07.06.2024 which implied that interim order passed by the NCLAT dated 29.01.2024 shall continue.

ix) Cost incurred on the project up to 31st March 2024 Rs.1,33,794 Lakhs instead of writing-off, has been accounted as Claims receivable under the head "Other Financial Assets" which is in contravention of the provisions of Indian Accounting Standards Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) Claims being Contingent asset in nature. This has resulted in overstatement of Current Assets by Rs. 1,33,794Lakhs and understatement of Cumulative loss by the same amount.

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



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x) Interest on Loans is not provided for during the year under Audit except interest amount of Rs.34,15,904 related to south india bank which came forward for one time settlement. Respective interest amount had been added to claim receivable from NHAI.

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

Our Opinion is not modified in respect of these matters.

7. The Financials Results include result for the quarter ended 31st March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to 3rd quarter of the current financial year which were subjected to limited review.

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


A Krishna Rao
Partner
M.No:020085
UDIN: 24020085BKAUHH1258

Place: Hyderabad
Date: 18-05-2024



P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-855/2/3, SOMAJIGUDA,
HYDERABAD - 500 082, INDIA

Tel. : (91-40) 2332 6666, 2331 2554
(91-40) 2339 3967, 2332 1470
(91-40) 2332 2119, 2331 7032
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Annexure-1 to Auditors Report:

Subsidiaries

- 1) Madhucon Infra Limited [Which includes its Subsidiaries (i to ix), mentioned below]
- 2) Madurai Tuticorin Expressways Limited (audited by other auditors)
- 3) Madhucon Mega mall Pvt Ltd
- 4) Nama Hotels Pvt Ltd
- 5) Madhucon Heights Pvt Ltd

Subsidiaries of Madhucon Infra limited

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

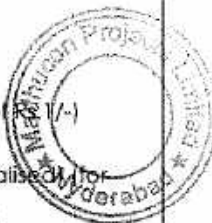
MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

		₹ in Lakhs)				
Sl. No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
	Audited	Unaudited	Audited	Audited	Audited	
	PART-I					
I	Revenue from Operations	42,094.57	27,564.59	44,540.85	1,16,375.27	1,16,230.46
II	Other income	23,666.90	75.55	72,745.23	30,140.46	90,153.51
III	Total Income (I+II)	65,761.47	27,640.14	1,17,286.08	1,46,515.73	2,06,383.97
IV	Expenses:					
	(a) Cost of Materials Consumed	32,382.16	24,525.59	36,989.47	94,955.68	1,03,075.48
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	-	-	-
	(c) Employee benefits expense	508.70	515.06	793.44	2,279.01	2,996.83
	(d) Financial Costs	2,668.56	849.88	2,523.17	4,142.37	4,712.18
	(e) Depreciation and amortisation expense	154.25	1,153.03	66,159.45	3,181.01	79,893.93
	(f) Other expenses	31,339.77	2,252.94	21,687.81	49,043.43	35,419.83
	Total Expenses	67,053.44	29,296.50	1,28,153.34	1,53,601.50	2,26,098.25
V	Profit/(Loss) Before Exceptional Items and tax (III-IV)	(1,291.97)	(1,656.36)	(10,867.26)	(7,085.77)	(19,714.28)
VI	Exceptional Items	-	-	-	-	-
	Provision for Impairment on Investments	-	-	-	-	-
	Share of (Loss) from Associate Company	-	-	(35.91)	-	-
VII	Profit/(Loss) Before Tax (3-4)	(1,291.97)	(1,656.36)	(10,903.17)	(7,085.77)	(19,714.28)
VIII	Tax Expense					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	1.29	(8.65)	8.91	(7.36)	8.91
	c) Deferred Tax	(598.06)	(212.44)	(1,232.68)	(1,003.51)	(2,007.69)
	Total Tax (a+b)	(596.79)	(221.09)	(1,223.77)	(1,010.87)	(1,998.78)
IX	Profit/(Loss) from Continuing operations (VII-VIII)	(695.18)	(1,435.27)	(9,679.40)	(6,074.90)	(17,715.50)
X	Profit/(Loss) from discontinued operations	-	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-	-
XII	Profit/(Loss) from discontinued operations after tax (X-XI)	-	-	-	-	-
XIII	Profit/Loss for the period (IX+XII)	(695.18)	(1,435.27)	(9,679.40)	(6,074.90)	(17,715.50)
	Attributable to:					
	- Share Holders of the Parent Company	475.63	(1,249.88)	(7,737.17)	(4,511.66)	(14,369.91)
	- Non Controlling Interest	(1,170.81)	(185.39)	(1,942.23)	(1,563.24)	(3,345.59)
XIV	Other Comprehensive Income (net of tax)					
	A) Items that will not be reclassified to profit or loss					
	(i) Re-measurement gains/(losses) on defined benefit plans	47.35	-	43.10	47.35	43.10
	Amount Not Reclassifiable to P&L	-	-	-	-	-
	Share of Other Comprehensive income transferred to Non Controlling interest	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	Share of Profit/(Loss) transferred to Non Controlling Interest	-	-	-	-	-
	Total Other Comprehensive Income, net of tax	47.35	-	43.10	47.35	43.10
	Attributable to:					
	- Share Holders of the Parent Company	47.35	-	43.10	47.35	43.10
	- Non Controlling Interest	-	-	-	-	-
XV	Total Comprehensive Income (XIII+XIV)	522.98	(1,249.88)	(7,694.07)	(4,464.31)	(14,326.81)
	Attributable to:					
	- Share Holders of the Parent Company	522.98	(1,249.88)	(7,694.07)	(4,464.31)	(14,326.81)
	- Non Controlling Interest	(1,170.81)	(185.39)	(1,942.23)	(1,563.24)	(3,345.59)
XVI	Paid - up Equity Share Capital (Face value of Rs. 1/-)	737.95	737.95	737.95	737.95	737.95
XVII	Total Reserves i.e Other equity	-	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) for discontinued and continuing operations)	-	-	-	-	-
	- Basic and Diluted	0.64	(1.69)	(10.48)	(6.11)	(19.47)



[Handwritten Signature]

[Handwritten Signature]

Notes:

1. The above results have been reviewed by the Audit Committee at its meeting held on May 18th, 2024 and approved by the Board of Directors of the Company at its meeting held on May 18th, 2024. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended March 31st, 2024.
2. The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
3. The Consolidated Audited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and un terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.
4. The figures for the Quarter ended March 31st, 2024 and March 31st, 2023 are the balancing figures between the Audited figures in respect of the full Financial Year and Unaudited published figures upto the Third Quarter for the respective years.
5. Figures of previous period have been regrouped / rearranged wherever necessary.



Place: Hyderabad
Date : May 18, 2024

By Order of the Board
For Madhucon Projects Limited


(N. Saethalaha)
Managing Director
DIN: 00784491


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

MADHUCON PROJECTS LIMITED
Consolidated Balance Sheet as at March 31, 2024


(₹ in Lakhs)


	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2.1	4,917.98	5,261.33
(i) Capital Work-in-Progress	2.1	8,708.53	8,708.53
Intangible Assets	2.1a	11,956.39	-
(ii) Intangible Assets under Development		-	14,449.22
(iii) Investment Properties		-	-
(b) Financial Assets			
(i) Investments	2.2	54.58	54.58
(ii) Trade Receivables	2.3	-	-
(iii) Loans	2.4	10,123.94	15.31
(iv) Others Financial Assets	2.5	1,34,125.63	1,13,224.68
(c) Deferred Tax Assets (Net)	2.6	5,579.56	4,576.05
(d) Other Non-Current Assets	2.7	17,435.86	15,838.41
Total Non-Current Assets		1,92,902.47	1,62,128.11
Current Assets			
(a) Inventories	2.8	208.89	372.83
(b) Financial Assets			
(i) Investments	2.9	-	-
(ii) Trade Receivables	2.10	3,571.61	507.18
(iii) Cash and Cash Equivalents	2.11	3,909.16	8,238.12
(iv) Bank Balances other than above	2.12	-	-
(v) Loans	2.13	10.16	609.73
(vi) Others Financial Assets	2.14	1,96,414.50	1,96,743.55
(c) Current Tax Asset (Net)	2.15	6,164.24	7,396.12
(d) Other Current Assets	2.16	18,071.61	34,977.30
Total Current Assets		2,28,350.17	2,48,844.83
Total Assets		4,21,252.64	4,10,972.95
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	2.17	740.32	740.32
(b) Other Equity	2.18	(1,51,012.64)	(1,92,690.36)
Less : Profit / (Loss) from Associates		-	-
Equity Attributable to Shareholders of the Company		-	(1,91,950.04)
(c) Non-Controlling Interests		(1,50,272.32)	(43,769.41)
		(48,514.82)	(2,35,719.45)
Total Equity		(1,98,787.14)	(2,35,719.45)
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.19	1,57,530.47	1,66,367.26
(ii) Trade Payables	2.20	8,092.84	7,214.44
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than microenterprises and small enterprises.]		-	-
(iii) Other Financial Liabilities	2.21	2,024.52	2,148.69
(b) Provisions	2.22	14,644.30	17,259.98
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities	2.23	13,903.72	954.01
Total Non-Current Liabilities		1,96,195.85	1,93,944.38
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.24	2,23,806.54	1,55,530.65
(ii) Trade Payables	2.25	36,884.42	45,737.14
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than microenterprises and small enterprises.]		-	-
(iii) Other Financial Liabilities	2.26	47,361.62	1,26,571.88
(b) Other Current Liabilities	2.27	69,854.30	80,216.00
(c) Provisions	2.28	43,595.35	43,854.38
(d) Current Tax Liabilities (Net)	2.29	2,341.70	837.98
Total Current Liabilities		4,23,843.93	4,52,748.03
Total Equity and Liabilities		4,21,252.64	4,10,972.95

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



For and on behalf of the Board


 N. Sreenivas
 Managing Director
 DIN 00784491


 J. Samba Siva Rao
 Director [P & A]
 DIN: 09326475

Place : Hyderabad
Date : May 18, 2024

Madhucon Projects Limited
Consolidated Cash Flow Statements for the year ended March 31, 2024


(R in Lakhs)


	Year ended March 31, 2024	Year ended March 31, 2023
A Cash flow from operating activities		
(Loss) / Profit before tax	(7,085.77)	(19,714.27)
Adjustments for:		
Depreciation and amortisation expense	3,181.01	79,893.93
Dividend Income	-	(0.08)
Interest Income	(223.07)	(138.07)
Receivables / Advances Written Off	-	-
Exceptional Items	-	-
Foreign Exchange (Gain) / Loss	-	-
Finance costs	3,901.36	4,712.19
	6,859.30	84,467.97
Operating Profit Before Working Capital Changes	(226.47)	64,753.70
Change in Working Capital		
(Increase)/decrease in Trade Receivables	(3,064.42)	1,115.95
(Increase)/decrease in Inventories	163.94	180.76
(Increase)/decrease in Other Financial Assets	(20,571.91)	(16,789.71)
(Increase)/decrease in Other Current and Non-Current Assets	16,540.10	(16,669.35)
Increase/(decrease) in short term borrowings (net)	68,275.88	22,880.01
Increase/(decrease) in Trade Payables	(7,974.30)	(14,043.69)
Increase/(decrease) in Other Financial Liabilities	(79,334.41)	54,040.55
Increase/(decrease) in Other Current and Non-Current Liabilities	1,213.93	(1,19,609.05)
Cash generated from operations	(24,977.67)	(24,140.82)
Income taxes paid	-	-
Net cash from operating activities	(24,977.67)	(24,140.82)
B Cash flows from investing activities		
Purchase of Property, Plant and Equipment including CWIP	(314.83)	14,368.98
Change in other equity	46,827.67	3,008.67
Changes in Investments	-	75,348.23
(Increase) / decrease in other bank balances	-	2,035.35
Dividend Received	-	0.07
Interest Received	223.07	138.07
Net cash used in investing activities	46,705.92	94,899.37
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	(12,646.79)	(67,897.73)
Increase/(decrease) in Loans	(9,509.06)	590.94
Dividend paid	-	-
Interest paid	(3,901.36)	(4,712.18)
Net cash used in financing activities	(26,057.21)	(72,018.97)
Net increase/(decrease) in cash and cash equivalents	(4,328.96)	(1,260.42)
Cash and cash equivalents at the beginning of the financial year	8,238.12	9,498.55
Cash and cash equivalents at end of the year	3,909.16	8,238.12
Reconciliation of cash and cash equivalents as per with the Balance	3,909.16	8,238.12
Cash and Cash Equivalents end of the Year	3,909.16	8,238.12

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



For and on behalf of the Board


N. Seethalakshmi Managing Director
 DIN 00784491


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

Place : Hyderabad
Date : May 18, 2024

ANNEXURE 2

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

(& in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

(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	1,46,515.73	Not Ascertainable
	2	Total Expenditure	1,53,601.50	Not Ascertainable
	3	Net Profit/(Loss)	(6,074.90)	Not Ascertainable
	4	Earnings Per Share	(6.11)	Not Ascertainable
	5	Total Assets	4,21,252.64	Not Ascertainable
	6	Total Liabilities	6,20,039.78	Not Ascertainable
	7	Net Worth	(1,98,787.14)	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

(i) 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


(ii) Signatories:

For Medhucan Projects Limited



(Seetha Lakshmi)
Managing Director
DIN: 00784491

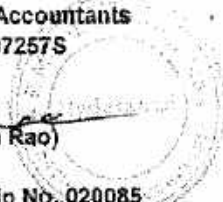



(K. Venkateswarlu)
Director cum CFO
DIN: 09713168


(Ramadas Kasarmani)
Chairman of Audit Committee
DIN: 02182093

For M/s P. Murali & Co.,
Chartered Accountants
FRN No. 007257S


(A. Krishna Rao)
Partner
Membership No. 020085







Replies to Audit Qualification:

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

These financials were reviewed by the Audit committee in the meeting held on 18.05.2024 and approved by the board of directors of the company at the meeting held on 18.05.2024.

- 1 The carrying value of investments held in subsidiaries and unsecured loans and advances given by the company to some of its subsidiaries listed in the note No.1, which have been incurring losses, the company has written off some of the loans & Advances extended to some of its subsidiaries in the current year based on the internal assessment. Company has also written off part of investment held Madhucon Infra Limited, a subsidiary after considering the valuation Reports on investment in Madhucon Infra Limited. Taking into account the internal assessment and initiatives to be implemented to improve the working of the subsidiaries in the medium to long term, is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books.
- 2 The Company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.33369.17 Lakhs and Rs.3370.51 Lakhs respectively as per books of accounts. All the loans outstanding were classified as NPA by the Banks and financial institutions. The company has already settled the dues of some banks through "One Time Settlement" (OTS) and the company is in the process negotiation with other banks for settlement through One Time Settlement (OTS) for outstanding loans. Company is expected to close the other outstanding loans shortly as the OTS proceedings are in final stages.
- 3 The company has written back Trade Payables and other payables of Rs.11631.39 lakhs during the year which are not payable. Further company has written off the Loans & Advances of Rs. 4657.03 during the year which are not recoverable.
- 4 The company is taking the steps to remit the balance pending Tax Deducted at Source (TDS) for the year ended 31st March, 2024.



- 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 2009-10 to FY 2010-11.
- 6 There are some delays in depositing the undisputed Statutory dues including P.F, TDS and WCT due to huge stress on cash flows of the company. However, company is taking steps to remit the undisputed tax dues.
- 7 The company has made payments towards managerial remuneration, which is subject to the approval of the Banks and financial institutions.
- 8 The Company is regular in filing the GST returns in time and the turnover/ input credits have been reconciled till 31.12.2023. Company is in the process of reconciling for the balance period.
- 9 Company is taking steps for the appointment of Internal Auditor.
- 10 The Loan payable to M/S. SREI Equipment Finance Limited was restructured and the company is remitting the instalment dues as per restructuring terms. SREI Equipment Finance Limited filed withdrawal memo seeking leave of this "NCLT" to withdraw the company petition. NCLT by an order dated 28.03.2024 allowed the company petition stands disposed of as withdrawn.
- 11 In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress. We already preferred the appeal before adjudicating authority for the properties attached, which is still pending.
12. In case of M/s. Trichy-Thanjavur Expressways Limited a step down subsidiary, "The Hon'ble National Company Law Tribunal" (NCLT) by an order dated 22.08.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 18.06.2024.
Company has filed the claims with Resolution Professional for the amounts receivable.
13. In case of Barasat - Krishnagar Expressways Limited, a step down subsidiary "The Hon'ble National Company Law Tribunal" (NCLT) by an



order dated 28.11.2023 admitted the Corporate Insolvency resolution process (CRIP), against which "The Hon'ble NCLAT has passed an order and directed the COC to defer its proceedings till next hearing on 26.06.2024. Company has filed the claims with Resolution Professional for the amounts receivable.

14. Company is in the process of obtaining confirmations for Trade payables and Receivables.

Madhucon Infra Limited:

The carrying value of investments held in subsidiaries and unsecured loans and advances given by the company to some of its subsidiaries listed in the report, which have been incurring losses, the company has written off part amount of the loans & Advances extended to some of its subsidiaries in the current year based on the internal assessment. Company has made provision towards impairment on investments in equity and other investments made in its subsidiaries. Taking into account the internal assessment and initiatives to be implemented to improve the working of the subsidiaries in the medium to long term, is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books.

The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated 24th February,2020. In terms of settlement, OTS amount of Rs.70 Crores was to be paid by the company in three instalments. However, the company made total payment of 15.5 crores up to 31st March,2023 and has represented to IFCI to reduce the OTS amount from Rs 70 Crores to Rs 51 Crores. Subsequently, IFCI Ltd had approved full and final settlement of dues of 51 crores to be paid and the company is in process of making the payment as per terms of sanction.

Company is in the process of obtaining the confirmations on balances as at 31st March,2024 in respect of certain Debtors and Creditors.

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

Madhucon Mega Mall Private Limited:

The Madhucon Mega Mall Private Limited (MMMPL) and Nama Hotels (P) Ltd a subsidiaries of the company incorporated for developing shopping mall cum multiplex and hotel on leased land taken from THB at Kukatpally in Hyderabad. Since no approval has been received from last



10 years and accumulated losses, the company has written off CWIP and written back loan / advance payable to Parent Company.

Madhucon Heights Private Limited:

Company expects the favourable order on the case pending with Hon'ble High Court of Telangana.

Madhucon Toll Highways Limited:

The carrying value of investments held in subsidiaries and unsecured loans and advances given by the company to some of its subsidiaries listed in the report, which have been incurring losses, the company has written off part amount of the loans & Advances extended to some of its subsidiaries in the current year based on the internal assessment. Company has made provision towards impairment on investments in equity and other investments made in its subsidiaries. Taking into account the internal assessment and initiatives to be implemented to improve the working of the subsidiaries in the medium to long term, is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books.

Further investments / advances made to subsidiaries in which admitted in the Corporate Insolvency resolution process (CIRP), company will take appropriate action after finalizing the proceedings in NCLAT.

Barasat -Krishnagar Expressways Limited ('BKEL'):

M/s State Bank of India has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench. The Hon'ble NCLT, Hyderabad Bench passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, seeking relief and the Hon'ble NCLAT has given stay on COC proceedings till 26-06-2024.

We draw attention that The construction work of the project 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. 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. Company expects favorable Arbitration Order to meet the liabilities.

Rajauli-Bakhtiyarpur Expressways Limited ('RBEL'):

We draw attention that the project awarded to M/s Rajauli -



Bakhtiyarpur Expressways Limited by Bihar State Road Development Corporation Limited (BSRDC) with a Concession Period of 30 years which included a construction period of 30 months has been foreclosed with mutual consent due to the non-handling over of Right Of Way (ROW) as per terms of the Contract by BSRDC.

The company has approached BSRDC by invoking arbitral clause to initiate arbitration proceedings for the expenses incurred for the project and the statement of claims was initially filed on 04-03-2020 with BSRDC. The arbitration proceedings are currently in progress.

Madurai Tuticorin Expressways Limited (MTEL):

The project awarded to M/s Madurai-Tuticorin Expressways Limited has been terminated by NHAI on 17-03-2023 though company has commenced Periodic Maintenance works and met its obligations. The company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. Company expects favourable Arbitration Award to meet the Bank / other financial Liabilities.

Vijayawada-Machilipatnam Expressways Limited:

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

TN (DK) Expressways Limited:

The company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The arbitration is currently in progress. Company can meet the Bank Liabilities from the expected Arbitration Award.

Company is taking steps for getting confirmations of Receivables and payables including GST Account.

Trichy-Thanjavur Expressways Limited:

M/s IDBI Bank Limited has filed petition U/s 7 of IBC 2016, against the Company at the Hon'ble NCLT, Hyderabad Bench - 1. The Hon'ble NCLT, Hyderabad Bench - 1 passed the order by admitting the petition and appointed Interim Resolution Professional. In this regard Company has approached the Hon'ble NCLAT, Chennai seeking relief and the Hon'ble NCLAT has given stay on proceedings till 06-03-2024.

NHAI terminated the project on 17-03-2023 through issue of termination



notice. The company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The status of the arbitration is currently in progress.

Chhapra-Hajipur Expressways Limited:

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

This contract was awarded by National Highway Authority of India (NHAI). The company shall hand over project to the NHAI on expiry of concession period. The Concession Agreement, on execution, will entitle the company to take a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. However, the company is in the process of completing the project and to commence the commercial operations at the earliest. The Cost incurred on the project has been shown "Project Cost "in Non Current Assets. The company is negotiating with Lenders for settlement of dues under One Time Settlement (OTS).

Ranchi Expressways Limited:

Ranchi Expressways Limited was incorporated under the Companies Act, 1956, as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 in the state of Jharkhand on DBFOT (Annuity) basis for a concession period of 15 years. This contract was awarded by National Highway Authority of India.

ii)The company has achieved physical progress of 50.24% and about 10% is in WIP and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. 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. Since the project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers.

The committee records the failure and closure of the conciliation proceedings on this matter. The company has initiated arbitration clause the arbitration committee formed, and arbitration proceedings commenced. EPC contractor has made claims against the company. On



receipt of arbitration award the company will negotiate with the EPC Contractor to settle the claims.

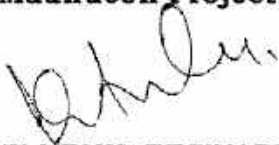
CBI has filed FIR against the Company, Promoters, Directors and Holding Companies on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the Company on 11-06-2021 and the ED is collecting information and investigation is under progress.

Banker, the State Bank of India has filed a petition under IBC Code, 2016 herewith referred as Financial Creditor with the National Company Law Tribunal (Hyderabad Bench-1). In the process, the honorable bench appointed IRP and declared the moratorium under section 14 of IBC Code on 22nd Dec 2023.

Later, Kamma Srinivas Rao, director of the Company, filed an appeal against the order of NCLT (Hyderabad Bench - 1) with the National Company Law Appellate Tribunal - (Chennai Bench). As a result of this, Honorable NCLAT has deferred the impugned order given by NCLT for a period of two weeks from 29.01.24. Again NCLAT had passed the order dated 19.03.2024 directed to list the matter on 07.06.2024 which implied that interim order passed by the NCLAT dated 29.01.2024 shall continue.

So the cost incurred on the project up to 31st March 2024 Rs.1,33,794 Lakhs has been accounted as Claims receivable under the head "Other Financial Assets" since the company expects the favorable Arbitration Award.

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


(K.VENKATESWARLU)
Director cum CFO
DIN: 09713108



Date : 18.05.2024
Place : Hyderabad.