



MADHUCON PROJECTS LIMITED

(CIN:L74210TG1990PLC011114)

AN ISO-9001 : 2008 COMPANY

**32nd Annual Report
2021 - 2022**



Corporate Information

Board of Directors

Mr. RamadasKasameri	Chairman and Independent Director
Mr. N.Seethalah	Managing Director
Mr. Mohammad Shafi	Whole-time Director
Mr. P.Madhava Rao	Independent Director
Mrs. Ch.Lakshimi Kumari	Woman-Independent Director
Mr. Madhu Malampati	Non-Executive & Non-Independent Director

Key Managerial Personnel

Mr. K. Venkateswarlu	Chief Financial Officer
Mr. M. S. Sivanand	Company Secretary (up to 21-03-2022)
Mr. D. Mallia Reddy	Company Secretary (w.e.f. 21-03-2022)

Registered Office

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

Corporate Office

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

Statutory Auditors

M/s P.Murali & Co.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad-500036

Registrar & Share transfer Agents

M/s Kfin Technologies Private Limited
Karvy Selenium Tower-B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032

Bankers

Axis Bank Limited.
Bank of India.
Canara Bank.
IDBI Bank Limited.
ICICI Bank Limited.
Kotak Mahindra Bank.
State Bank of India.

Contents Of Annual Report

S.No.	PARTICULARS	PAGE NO.
1	AGM Notice	3
2	Board Report	10
3	Management analysis	15
4	Corporate Governance	17
5	Standalone Financial	36
6	Consolidated Financial	86
7	Proxy and Attendance	139

**NOTICE**

To

The Members,

Madhucon Projects Limited

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Madhucon Projects Limited will be held on **Thursday, 29th September, 2022 at 03:00 P.M (IST)** at the Registered Office of the Company situated at 1-7-70, Madhu Complex, Jublipura, Khammam-507003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors' thereon; and
 - b) The Audited Consolidated Financial Statements of the Company in INDAS format for the financial year ended 31st March, 2022 together with the report of the Auditors' thereon.
2. To appoint a director in place of Mr. Mohammad Shafi (DIN: 07178265), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s P. Murali & Co, Chartered Accountants (FRN: 007257S), Hyderabad be and are hereby reappointed as the Statutory Auditors of the Company for the second term of four consecutive years, who shall hold office from the conclusion of this 32nd AGM till the conclusion of the 36th AGM to be held in the year 2026, at such remuneration as may be determined by the Board of Directors of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

SPECIAL BUSINESS:

4. Ratification of the Re-appointment of Mr. Seethalaha Nama (DIN:00784491) as Managing Director of the Company:

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

"RESOLVED THAT as recommended by the Nomination and Remuneration Committee of the board in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and consent of the members be and is hereby accorded for reappointment of Mr. N. Seethalaha, (DIN: 00784491) as Managing Director of the Company for the period of 3 years w.e.f. 1st May, 2022 on the existing monthly managerial remuneration of Rs.5,00,000/- (Five Lacs Only) without enhancement in remuneration due to the continuous losses incurred by the Company.

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

5. Ratification of the reappointment of Mr. Madhava Rao Potla (DIN 00385838) as an independent director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the nomination and remuneration committee, and that of the Board, Mr. Madhava Rao Potla (DIN 00385838), who holds office as an independent director up to September 28, 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from September 29, 2022 up to September 28, 2027.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts,



deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. Ratification of the reappointment of Mrs. Chinthapalli Lakshmi Kumari (DIN 06942473) as an independent director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the nomination and remuneration committee, and that of the Board, Mrs. Chinthapalli Lakshmi Kumari (DIN 06942473), who holds office as an independent director up to September 26, 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from September 27, 2022 up to September 26, 2027.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31st March, 2023.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,50,000.00 (Rupees One Lakh fifty Thousand only) inclusive of all taxes payable, M/s AS RAO & CO., Cost Accountants (Firm Registration No. 000326), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending 31st March, 2023, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby

authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans of the Company:

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

"RESOLVED FURTHER THAT the total interest provisions on Rs. 670.88 Cr. and Rs. 45.09 Cr. Working Capital Loans and Term Loan respectively aggregating to Rs. 715.97 Cr. for the full financial year 2021-22 be not applied and provided for in the books of accounts of the Company on the basis that the Company has submitted the One Time Settlement proposal to all Working Capital Banks and Financial Institutions. Company is working for the approval, with required improvements, modifications, if any, as may be mutually agreed upon by and between the Company and Working Capital Banks / Financial Institutions."

**By Order of the board
for Madhucon Projects Limited**

Place: Hyderabad

Date: 11-08-2022

**D. Malla Reddy
Company Secretary**

NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary instructions is given in the subsequent paragraphs.
3. The Company has appointed Mr. Venkata Krishna Reddy Sabbella, Practicing Company Secretary (Membership No. ACS 53083) (PCS No. 19542), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
4. A member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him/herself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours



before the meeting. Proxy form is attached herein. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.

5. In line with the MCA Circulars, the notice of the 32st AGM along with the Annual Report 2021-22 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2021-22 will be available on the Company's website at [https:// www.madhucon.com/investors/ annual-reports/](https://www.madhucon.com/investors/annual-reports/), websites of the Stock Exchanges i.e. BSE

Limited and NSE Limited at www.bseindia.com and

www.nseindia.com respectively, and on the website of K Fintech at <https://evoting.kfintech.com>.

6. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, (Unit: Madhucon Projects Limited) Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.
7. Brief profile of the Directors proposed to be appointed / re-appointed is given as under as per

Name of Director	Mr. Nama Seethaiah	Mr. Madhava Rao Potla	Mrs. Chinthapilli Lakshimi Kumari
Date of Birth	03-03-1966	25-12-1959	21-06-1955
Nationality	Indian	Indian	Indian
Date of appointment	15-03-1990	28-09-2017	26-09-2017
Qualifications	Graduate of Civil Engineering	B.com; LLB	B.Sc.; BED
Expertise in Functional Area Business	Industrialist & Business Professional	Legal Professional	Retired Professional
Shares held in the Company	23,802	NIL	NIL
List of Directorships held in other Companies	4 unlisted public ltd., companies & 1 private ltd company	2 unlisted public ltd., companies.	1 unlisted public ltd., company
Chairman/Member Committee of Boards of other Companies in which he/she is a Director	NIL	NIL	NIL



the provisions of Regulation 36(3) of the Listing Regulations.

8. Members holding shares in physical mode are also requested to register / update their e-mail address with the Company / KFinTech for receiving all communications from the Company electronically.
9. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to Registrar and Share Transfer Agent, KFin Technologies Private Limited (Unit: Madhucon Projects Limited), Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 23rd September, 2022 to Thursday 29th September, 2022 (both days inclusive)**.
11. Members are requested to note that, dividends F.Y. 2014-15 if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transfer to the Investor Education and Protection Fund ("IEPF") on due date in November, 2022.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before Thursday, 22nd September, 2022 through email to cs@madhucon.com. The same will be replied by the Company suitably.

ANNEXURE TO NOTICE:

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

The following explanatory statement sets out all material facts relating to the special business mentioned under **Item Nos. 4 to 8** of the accompanying Notice.

Item No.4: Ratification of the Re-appointment of Mr. Seethaiah Nama (DIN:00784491) as Managing Director of the Company:

Mr. Seethaiah Nama, (DIN: 00784491) was appointed as the Managing Director of the Company for the period of 3 years w.e.f. 1st May, 2019 vide 29th Annual General Meeting of the company, held on 21st September, 2019. Accordingly, tenure of the period of 3 years was completed by 30th April, 2022. The Board approved re-appointment of Mr. Seethaiah Nama,

(DIN: 00784491) as Managing Director of the Company for the period 3 years w.e.f. 1st May, 2022 on the base of recommendation of Nomination and Remuneration Committee Meeting held on 20th April, 2022 and now proposed to seek Members approval of the same, in terms of the applicable provisions of the said Act and Rules made there under.

Mr. Seethaiah Nama, is not disqualified from being re-appointed as a Director and Managing Director in terms of section 164 (2) of the Companies Act, 2013. He has communicated his willingness with consent to act as Managing Director of the Company. He satisfies all the conditions as set out in section 196(3) of the said Act and Part-I of Schedule V thereof and hence, is eligible for re-appointment. His brief profile is provided at notes to the Notice pursuant to the provisions of SEBI (LODR) Regulations.

Save and except Mr. Seethaiah Nama and his relatives to the extent of their shareholding interest, if any, in the company, none of the other Directors, Key Managerial Personnel of the Company are their relatives, in any way, concerned or interested in the aforesaid resolution.

The Board recommends Ordinary Resolution set out in Item No. 4 for the approval of members.

Item no. 5: Ratification of the reappointment of Mr. Madhava Rao Potla (DIN 00385838) as an independent director of the Company.

Mr. Madhava Rao Potla was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, at the AGM 2017 by the members to hold office up to September 28, 2022 and he is due for retirement from the first term. Based on the recommendation of the nomination and remuneration committee, the Board, at meeting held on August 11, 2022 has recommended the reappointment of Mr. Madhava Rao Potla as an independent director, not liable to retire by rotation, for a second term of five years effective September 29, 2022 to September 28, 2027. The Company has received consent letter and also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mr. Madhava Rao Potla to the office of independent director. In the opinion of the Board and based on its evaluation, Mr. Madhava Rao Potla fulfills the conditions specified in the Companies Act, 2013. The resolution seeks the approval of members for the reappointment of Mr. Madhava Rao Potla as an independent director of the Company pursuant to Sections 149, 152 of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Mr. Madhava Rao Potla, to whom the resolution relates, is interested in or concerned, in passing the proposed aforesaid resolution.

The Board recommends the Special Resolution set forth in



item no. 5 for the approval of members.

Item no. 6: Ratification of the reappointment of Mrs. Chinthaplli Lakshimi Kumari (DIN 06942473) as an independent director of the Company.

Mrs. Chinthaplli Lakshimi Kumari was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, at the AGM 2017 by the members to hold office up to September 26, 2022 and she is due for retirement from the first term. Based on the recommendation of the nomination and remuneration committee, the Board, at meeting held on August 11, 2022 has recommended the reappointment of Mrs. Chinthaplli Lakshimi Kumari as an independent director, not liable to retire by rotation, for a second term of five years effective September 27, 2022 to September 26, 2027. The Company has received consent letter and also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mrs. Chinthaplli Lakshimi Kumari to the office of independent director. In the opinion of the Board and based on its evaluation, Mrs. Chinthaplli Lakshimi Kumari fulfills the conditions specified in the Companies Act, 2013. The resolution seeks the approval of members for the reappointment of Mrs. Chinthaplli Lakshimi Kumari as an independent director of the Company pursuant to Sections 149, 152 of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Mrs. Chinthaplli Lakshimi Kumari, to whom the resolution relates, is interested in or concerned, in passing the proposed aforesaid resolution.

The Board recommends the Special Resolution set forth in item no. 6 for the approval of members.

Item No. 7: To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31st March, 2023.

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s AS RAO & CO., Cost Accountants (Firm Registration No. 000326) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2023. In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2023, as set out in the Ordinary Resolution in Item No. 7.

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

Item No. 8: Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans of the Company:

Approval for Non-Provision of the Interest on Working Capital Loans and Unsecured Loans:

The board members discussed in this connection and that the Company has submitted the One Time Settlement (OTS) proposal to each of the Working Capital Banks and is working with them. The Company is hopeful to get it approved with suitable modifications, if any. It was further deliberated that as the Company has put up OTS proposal with each Working Capital Bank against their respective outstanding, interest provision on working capital loans and unsecured loans was not made.

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

**By Order of the board
for Madhucon Projects Limited**

Place: Hyderabad
Date: 11-08-2022

**D. Malla Reddy
Company Secretary**

INSTRUCTIONS FOR REMOTE E-VOTING:

1. Use the following URL for e-voting from KFintech website: <https://evoting.kfintech.com>.
2. Members of the Company holding shares either in physical form or in dematerialized form, as on 22nd September, 2022, the cutoff date, may cast their vote electronically.
3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, use your existing User ID and password for casting your votes.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character (@, #, \$ etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e., Madhucon Projects Limited.
8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
9. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio /



- demat account.
10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
 11. The Portal will open for voting from 9.00 a.m. on Monday, 26th September, 2022 and closes at 5.00 p.m. on Wednesday, 28th September, 2022 with E-Voting Sequence number (EVSN) – 6883).
 12. Members of the Company who have purchased their shares after the dispatch of the Notice but before the cutoff date (22nd September, 2022) may contact KFintech at Tel No. 1800 309 4001 (toll free) to obtain login id and password or send a request to inward_ris@kfintech.com.
 13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFintech at Tel No. 1800 309 4001 (toll free).
 14. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.
Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Procedure to login through websites of Depositories:

NSDL	CDSL
<ol style="list-style-type: none"> 1. Users already registered for IDeAS facility of NSDL <ol style="list-style-type: none"> a. Click on URL: https://eservices.nsd.com. b. Click on the "Beneficial Owner" icon under 'IDeAS' section. c. Enter your User ID and Password for accessing IDeAS. d. On successful authentication, you will enter your IDeAS service login. e. Click on "Access to e-Voting". f. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period. 2. Users not registered for IDeAS facility of NSDL <ol style="list-style-type: none"> a. To register, click on URL: https://eservices.nsd.com b. Select "Register Online for IDeAS". c. Proceed to complete registration using your DPID, Client ID, Mobile Number, etc. d. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote. 3. Users may directly access the e-voting module of NSDL as per the following procedure: <ol style="list-style-type: none"> a. Click on URL: https://www.evoting.nsd.com/ b. Click on the button "Login" available under "Shareholder / Member" section. c. Enter your User ID (i.e. 16-digit demat account number held with NSDL), login type, Password / OTP and Verification code as shown on the screen d. On successful authentication, you will enter the e-voting module of NSDL e. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period. 	<ol style="list-style-type: none"> 1. Users already registered for Easi/Easiest facility of CDSL <ol style="list-style-type: none"> a. Click on URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi b. Enter your User ID and Password for accessing Easi / Easiest. c. Click on Company name or e-voting service provider for casting the vote. 2. Users not registered for Easi/Easiest facility of CDSL <ol style="list-style-type: none"> a. To register, click on URL https://web.cdslindia.com/myeasi/home/login b. Proceed to complete registration using your User ID, Client Id, Mobile Number, etc. c. After successful registration, please follow steps give under Sr. No. 1 above to cast your vote. 3. Users may directly access the e-voting module of CDSL as per the following procedure: <ol style="list-style-type: none"> a. Click on URL: www.cdslindia.com b. Provide demat account number and PAN c. System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account d. On successful authentication, you will enter the e-voting module of CDSL. e. Click on Company name or e-voting service provider and you will be re-directed to KFintech website for casting the vote during the remote e-voting period.



Procedure to login through their demat accounts / website of Depository Participant

NSDL	CDSL
Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins. Click on the option "e-Voting" and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against the name of Company or select e-Voting service provider "KFintech" and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.	
Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" / "Forgot Password" options available on the websites of Depositories / Depository Participants. Contact details in case of technical issue on NSDL website	
Contact details in case of technical issue on NSDL website	Contact details in case of technical issue on CDSL website
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

15. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

16. The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.madhucon.com and the website of the Registrar and Share Transfer Agent viz., evoting@kfintech.com immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.



Directors' Report

Your Directors have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL SUMMARY

(' Rs.in Lakhs)

S. No.	Particulars	Standalone	Year ended	Consolidated	Year ended
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:				
	(a) Net Sales/ Income from Operations	70614.85	64,655.05	94814.79	90,916.23
	(b) Other income	1656.95	7,190.97	11745.99	12,484.10
	Total Income	72271.80	71,846.02	106560.78	1,03,400.33
2	Expenses:				
	(a) Cost of Materials Consumed	51899.33	63,442.04	73573.07	88,842.92
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	934.24	889.81
	(c) Employee benefits expense	1679.16	1,728.40	2920.22	2,792.85
	(d) Other expenses	19308.89	10,288.63	23730.70	1,994.51
	(e) Financial Costs	417.54	847.22	3137.00	24,570.33
	(f) Depreciation and amortization expense	478.06	595.97	14094.98	12,871.32
	Total Expenses	73782.99	76,902.26	118390.21	1,31,961.54
3	Profit/(Loss) Before Exceptional Items (1-2)	(1511.19)	(5,056.25)	(11829.43)	(28,561.21)
4	Exceptional Items Share of (Loss) from Associate Co.,	-	-	982.39	982.39
5	Profit/(Loss) Before Tax (3-4)	(1511.19)	(5,056.25)	(10847.04)	(27,578.82)
6	Tax Expense				
	a) Current Tax –	-	-	-	-
	b) Income Tax Refund Received	-	(5,392.23)	-	(5,392.23)
	c) Deferred Tax	1870.14	3,982.68	1870.14	3,982.68
	Total Tax (a+b)	1870.14	(1,409.55)	1870.14	(1,409.55)
7	Net Profit/(Loss) After Tax (5-6)	(3381.33)	(3,646.70)	(12717.18)	(26,169.29)
	Share of Loss transferred to Non-Controlling Interest	-	-	(2082.68)	(2,830.05)
	Profit/(Loss) after Tax after Non-Controlling Interest	(3381.33)	(3,646.70)	(10634.51)	(23,339.24)
	Share of Profit or Loss from Associated Companies	-	-	-	-
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	(3381.33)	(3,646.70)	(10634.51)	(23,339.24)
8	i. Other Comprehensive Income	19.45	(35.65)	19.45	(35.65)
	ii. Amount not re-classifiable to P&L	--	--	(1.96)	-
	Share of Other Comprehensive Income transferred to Non-Controlling Interest	-	-	-	-
9	Total Comprehensive Income (7+8)	(3361.88)	(3,682.35)	(10617.03)	(23,374.90)
10	Paid up equity share capital (Face Value of Rs. 1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	52191.06	55,588.59	(2,10,525.29)	(1,90,160.04)
12	(i) Earning per share of Rs. 1/- each (not annualized)				
	(a) Basic	(4.58)	(4.94)	(14.41)	(31.63)
	(b) Diluted	(4.58)	(4.94)	(14.41)	(31.63)



2. Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2021, the annual return as referred under section 134(3)(a) of the Act for the financial year ended 31st March, 2022 is available on the Company website at www.madhucon.com/investor/Annualreturn.

3. Indian Accounting Standards:

The Company has followed Indian Accounting Standards and accounting principles generally accepted in India in preparation of financial statements for the financial year 2021-22.

4. Dividend: [Section 134(3)(K)]

No dividend was declared on equity shares for the year ended 31.03.2022 due to Loss.

5. Board Meetings:

The Board met 4 (Four) times during the financial year 2021-2022. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
592	09-07-2021	593	13-08-2021	594	12-11-2021	595	09-02-2022

6. Directors' Responsibility Statement:

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

- That in the preparation of annual accounts for the financial year ended 31st March, 2022; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- That the Directors have prepared the annual accounts for the year ended 31st March 2022 on a "Going Concern" basis.
- That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. Adequacy of Internal Financial Control:

The Company has structured and implemented framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5) (e) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2021-22. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

8. Declaration from Independent Directors on Annual Basis:

The Company has received Declarations of independence as stipulated under section 149(7) of Companies act 2013 and regulation 25 of the listing regulations from Independent directors confirming that he /she is not disqualified from continuing as independent Director, the same annexed to this report as **ANNEXURE-A**.

9. Nomination and Remuneration Policy:

The Nomination and Remuneration Committee has laid down the policy for Remuneration of Directors, KMP & other Employees and the criteria has been formulated by the Committee for determining qualifications, positive attributes and independence of a Director. The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

10. Share Capital:

The paid up share capital is Rs. 7,37,94,940/- of Rs.1/- each. There were no other changes that have been made in the share capital of the Company during the year under review. The Details of Share Capital are given in the notes to the Financial Statements.



11. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

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

12. Related Party Transactions:

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

13. Material Changes and commitments affecting the financial position of the Company:

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

14. Particulars regarding Energy Consumption, Technology Absorption and Foreign Exchange Earning and Outgo:

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished as ANNEXURE-I to this report.

15. Risk Management:

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

16. Corporate Social Responsibility (CSR) Policy:

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

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

17. Formal Annual Evaluation:

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review.

18. Report on the Performance/Financial Position of the Subsidiaries /Associates/Joint Ventures Companies:

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

19. Consolidation of Accounts:

In compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015 and in compliance with the provisions of the Companies Act, 2013 and the Ind AS 28 Investments in Associates and joint ventures and Ind AS 110 Consolidated Financial Statements, Your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2022, duly audited by the Statutory Auditors which forms part of the Annual Report. The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time as they have been kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

20. Details of Directors and Key Managerial Personnel appointed and resigned during the Year.

a) Change in Key Managerial Personnel during the year:

1. Mr. Nama Seethaiah was reappointed as Managing Director for the period of 3 years w.e.f. 1st May, 2022.
2. Mr. M S Sivanand had resigned as the Company Secretary of the Company w.e.f. 21-03-2022.
3. Mr. D. Malla Reddy was appointed as the Company Secretary & Compliance Officer w.e.f. 21-03-2022.

b) Change in Directors during the year:

1. Mr. Madhava Rao Potla reappointed as Independent director of the Company for the second term w.e.f. 29th September, 2022.
2. Mrs. Chinthapalli Lakshmi Kumari reappointed as Independent director of the Company for the second term w.e.f. 27th September, 2022.
3. Ratification for the re-appointment of Mr. Seethaiah Nama (DIN: 00784491) as Managing Director of the Company w.e.f. 1 May, 2022.



21. CEO and CFO Certification :

In accordance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have submitted a certificate for the year ended 31st March 2022 to the Board of Directors which forms part of the Annual Report.

22. Vigil Mechanism / Whistle Blower Policy:

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

23. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

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

During the financial year 2021-22, the Company received no complaints on sexual harassment.

24. Deposits:

The Company had not accepted or invited any Deposits and consequently no deposit has matured / become due for repayment as on 31st March 2022.

25. Audit Committee:

Four meetings of the Audit Committee were held during the year. The details pertaining to composition of Audit Committee are included in the Corporate Governance Report

26. Stakeholders' Relationship Committee:

The Committee focuses on shareholders' grievances and strengthening of investor relations. The Committee coordinates the services of the Registrars and Share Transfer Agents. There were no complaints pending for redressal as at 31st March, 2022.

27. Statutory Auditors and their Report:

P. Murali & Co., Chartered Accountants (FRN 007257S) were reappointed as Statutory Auditors of the Company for the period of 4 (Four) Financial Years w.e.f. FY 2022-23 to FY 2025-26 and expressed their willingness to hold the office up to the conclusion of the 36th Annual General meeting. They have furnished a consent letter to the effect that their proposed appointment within the limits specified under section 141(1) (g) of the Companies Act, 2013.

28. Cost Auditors:

The Board of Directors, on recommendation of Audit Committee appointed AS RAO & CO., Cost Accountants (Registration No. 000326) as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to Works Contracts, Construction of Roads, etc. for financial year commencing on 1st April, 2022 and ending on 31st March, 2023.

29. Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Venkata Krishna & Associates, Company Secretaries (ACS 53083 and CP No.19542) has been appointed as Secretarial Auditors of the Company for the financial year 2022-23 to carry out the Secretarial Audit and issue report thereon. Secretarial Audit report issued for the financial year ended 31st March, 2022 by M/s Venkata Krishna & Associates, Company Secretaries is annexed to this Report as ANNEXURE II.

30. Listing With Stock Exchanges:

The Company's securities have been listed with Bombay Stock Exchange (BSE), and National Stock Exchange (NSE). Listing fee has been paid to BSE and NSE within the prescribed time limit as set in Regulation 14 of Listing Regulations for the Financial Year 2021-2022.



31. Particulars of Employees:

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

32. Depository System :

As the Members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with Central Depository Services (India) Limited (CDSL) & National Securities Depository Limited (NSDL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on CDSL or NSDL. The ISIN allotted to the Company's Equity shares is **INE 378D01032**

33. Prevention of Insider Trading:

Your Company has in place code of conduct to regulate, monitor and report trading by designated persons and code of practices and procedures for fair disclosure of unpublished price sensitive information which is in adherence to the SEBI (Prohibition of insider trading) Amendment Regulations, 2018. The disclosures received pursuant to this code and the Regulations are disseminated to the Stock Exchanges within prescribed time limit. The Report of compliance officer was placed before the Board. The code is available at the company's website at the following link www.madhucon.com.

34. Corporate Governance and Shareholders Information:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance forming part of this Report, together with the Practising Company Secretaries Certificate regarding the compliance of the conditions of Corporate Governance is given in a separate section in the Annual Report.

35. Appreciations:

The Directors wish to express their appreciation for the assistance and continued cooperation received from the Central and State Governments, Banks, Financial Institutions, JV partners, clients, consultants, -sub contractors, Customers, Suppliers and also the Directors wish to thank all the employees for their dedicated contribution, support and continued co-operation throughout the year at all levels.

For and on behalf of the Board of Madhucon Projects Limited,

	Sd/-	Sd/-
	(N. Seethaiah)	(Mohammad Shafi)
Place: Hyderabad	Managing Director	Whole-time Director
Date: 11-08-2022	DIN: 00784491	DIN: 07178265

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL



MANAGEMENT DISCUSSION & ANALYSIS

ANNEXURE - I

I. Industry Structure and Developments:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. India has the second-largest road network in the world, spanning over 5.8 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.

Under the Union Budget 2022-23, the Government of India has allocated Rs. 1,99,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year. In the Union Budget of 2022-23, the government plans to complete 25,000 kilometres of National highways.

The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25. Measures in three thrust areas to increase funding for NIP by (i) creation of institutional structures-set up and capitalize a Development Financial Institution (DFI), (ii) big thrust on monetizing assets, (iii) enhancing the share of capital expenditure, is the strong outlay.

Highway construction in India increased at 17.00% CAGR between FY16-FY21. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY21. In FY21, 13,298 kms of highway was constructed across India. The National Investment and Infrastructure Fund (NIIFF) is making progress towards integrating its road and highway portfolio.

With regard to Railway Infrastructure (i) National Rail Plan for India (2030) to create a 'future ready' Railway system by 2030. (ii) 2000 Km of network to be brought under Project Kavach, (iii) Multimodal Logistics Parks at four locations through PPP mode, (iv) 100 PM Gatishakti Cargo Terminals for multimodal logistics facilities to be developed in next three years, (v) 400 new generation Vande Bharat trains to be developed – (a) aesthetically designed vista dome linke Hoffman busch (LHB) coach on tourist routes for better travel, (b) High density network and highly utilized network routes to have an indigenously developed automatic train protection system, eliminating train collision due to human error. Besides urban infrastructure include (a) Expansion of metro rail network and augmentation of city bus service, (b) 'Metrolife' and 'Metroneo' technologies will be used to provide metro rail systems at much lesser cost with similar experience.

The Government has set up Development Financial Institution (DFI) to act as a provider, enabler and catalyst for infrastructure financing wherein lending portfolio will be created under the proposed DFI in three years.

Overall, the infrastructure sector is the winner in this year's Budget. However, its success lies in its effective implementation and focusing on projects with quick turnaround time.

II. Opportunities and Strengths:

The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in the infrastructure sector, mainly highways. Many steps have been taken to improve funding avenues to the infrastructure sector. There are huge opportunities for the industry in the future. Your Company is having opportunities and strengths with an order book position of Rs. 5301 Crores.

Segment-wise performance:

1. Transportation Division:

Your Company has completed 11,258 lane kms of road projects across India till date. Besides, work amounting Rs. 1330.24 Crore was done till March, 2022 out of the total work amounting to Rs. 2,253.44 Crore. Balance work of Rs. 923.20 Crore is outstanding as on date.

2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, Dams, Tunnels, Spillways, Pump house and Lift Irrigation Projects across PAN India. At present various Irrigation Projects having a total value of Rs. 1,635.23 Crore are under progress across PAN India. Out of which work amounting to Rs. 1,032.63 Crore was already executed till March, 2022, while work amounting to Rs. 602.60 Crore is the balance outstanding to be executed.

III. Outlook:

Future outlook of infrastructure industry in India:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. In Union Budget FY 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 1,99,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways to enhance the transport infrastructure. The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25.

In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year. In the Union Budget of 2022-23, the government plans to complete 25,000 kilometres of National highways.



The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Under Phase-I of Bharatmala Pariyojana, the Ministry has approved implementation of 34,800 km of national highways in 5 years with an outlay of Rs. 5,35,000 crore (US\$ 76.55 billion). Under this scheme, 22 greenfield projects (8,000 kms length) are being constructed; this is worth Rs. 3.26 lakh crore (US\$ 43.94 billion). The government also aims to construct 23 new national highways by 2025. The Minister for Road Transport & Highways and Micro, Small and Medium Enterprises is targeting to construct 40 kms per day in FY22. The National Highways Authority of India (NHAI) is expected to award projects worth ~Rs. 2.25 lakh crore (US\$ 30.3 billion) with a total length of ~5,000 kms in FY22.

Your Company is giving major thrust in various infrastructure projects to reap the benefit of growth in infrastructure sector.

Road Ahead:

The roadmap to India's infrastructure is exciting and futuristic, and it will not be an exaggeration to say that the new decade seems to be a promising one.

According to Indian Infrastructure Sector in India Industry Report India plans to spend US\$ 1.4 trillion on infrastructure in between the period of 2019-23 to promote sustainable development in the country. This depicts the upward trajectory of the Indian infrastructure space which is on the rise. Also, with Covid-19 restrictions been removed, the infrastructure work has progressed, and the Indian National Highways are continuously being upgraded based on the latest technology.

More and more green and clean initiatives are happening across government bodies in major countries, especially, the Indian government has given the much-needed push to the infrastructure sector in the recent FY 2022-23 budget. India is looking at \$5 trillion economy dream, as quoted by Finance Minister Nirmala Sitharaman during the recent budget announcement. The economy boost is only possible with the infra development at the forefront. Additionally, there is a need to work in the direction of developing advanced infrastructure that will provide momentum to PEVC investments in India.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction development sector attracted Foreign Direct Investment (FDI) inflow worth US\$ 26.1 billion between April 2000-June 2021. In FY22 (until November 2021), the private sector invested Rs. 15,164 crore (US\$ 1.98 billion) in roads. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

IV. Risks and Concerns:

The COVID-19 pandemic has the major effect on timely completion of various projects. The availability of construction labor force is expected to affect the projects for another one year. On the other hand, other construction delays continue to be a concern factor which stems from number of factors outside the control of the project sponsors, which includes land acquisition, regulatory approvals, inflation, and litigation etc., which can delay the timely completion of the project and increase in cost of project. This can, in turn, lead to additional funding, additional cost of fund etc.

The construction sector is expected to face a simultaneous reduction in both supply and demand on account of this pandemic. As the sector is driven by infrastructure projects to a large extent, it is expected to be hit severely by the current levels of uncertainty, dismal business and consumer sentiments, loss of income as well as the diversion of government funds towards COVID-19 management.

I. Internal Control Systems and their adequacy:

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

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

During the year under review, your Company has achieved a total income (standalone) of Rs. 72,271.80 Lakhs against Rs 71,846.02 Lakhs and Earning per Share (EPS) of Rs. (4.58) against Rs. (4.94) of the Previous Year.

III. Human Resources/Industrial Relations:

Your Company has recruited competent Professionals at all levels of management for all verticals of the Company as a part of corporate restructuring process and strengthening its Business Verticals to meet the pace of growth of your Company. The Industrial relation is very cordial.



REPORT ON CORPORATE GOVERNANCE

In Compliance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company sets forth the report on the Corporate Governance on the matters as mentioned in the said schedule and practices followed by the company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. It is imperative that our Company's affairs are managed in a fair and transparent manner. We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company is in compliance with all requirements stipulated under SEBI (LODR) Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

i. Composition and Category of the Directors as on 31st March, 2022

In terms of compliance with the requirement of The Companies act, 2013/and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company endeavor to have an optimum combination of Executive and Non Executive Director with one woman director to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees.

As on 31st March 2022, the Board consist of 6 (Six) Directors. There is 1(One) Managing Director, 1(one) Whole-time Director, 1 (one) Non Executive & Non-Independent Director and 3 (three) Non executive Independent Directors including 1 (One) chairman and 1(one) Woman Director.

Sl. No.	Name of the Director	Designation	Category
1	Mr. Ramadas Kasarmani	Chairman	Non- Executive & Independent Director
2	Mr. N. Seethaiah	Managing Director	Executive & Non-Independent Director
3	Mr. Mohammad Shafi	Whole-time Director	Executive & Non-Independent Director
4	Mrs. Ch. Lakshmi Kumari	Woman Director	Non- Executive & Woman Independent Director
5	Mr. P. Madhava Rao	Director	Non- Executive & Independent Director
6	Mr. Madhu Malampati	Director	Non-Executive & Non-Independent Director

ii. Number of Board Meetings held during the year :

The Board met 4 (Four) times during the financial year 2021-2022.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
592	09-07-2021	593	13-08-2021	594	12-11-2021	595	09-02-2022

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

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



SL. No.	Name of the Director	Board Meetings attended during the financial year (2021-2022)	Attendance at previous AGM held on 30-09-2021
1	Mr. Ramadas Kasarneni	4	Yes
2	Mr. N. Seethaiah	4	Yes
3	Mr. Mohammad Shafi	4	Yes
4	Mr. P. Madhava Rao	2	No
5	Mrs. Ch. Lakshmi Kumari	3	Yes
6	Mr. Madhu Malampati	4	Yes

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2022 is given below:

SL. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Mr. N. Seethaiah	Managing Director	5	0	0
2	Mr. Mohammad Shafi	Whole-time Director	3	0	0
3	Mr. Ramadas Kasarneni	Chairman and Independent Director	3	3	2
4	Smt. Ch. Lakshmi Kumari	Independent Director	1	0	0
5	Mr. P. Madhava Rao	Independent Director	2	2	0
6	Mr. Madhu Malampati	Non-executive non-independent Director	7	0	0

v. In terms of sub regulation (i) regulation 10 part C of Schedule V a certificate from the Company Secretary in practice was obtained to the effect that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of corporate affairs or any such statutory authority.

3. **CODE OF CONDUCT:**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has suitably modified the 'Code of Conduct for Board of Directors, Senior Management and Key Managerial Personnel' (Code of Conduct) and is available on the Company's website. The Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code of Conduct as at 31st March 2022.

4. **AUDIT COMMITTEE:**

i. Brief description of terms of reference:

In terms of compliance with the requirement of Regulation 18 of the Listing Regulations, the Audit Committee has been constituted consisting of qualified and independent Board members for providing accurate and transparent financial reporting to the Board and shall have the powers and roles to perform the functions as mentioned in Listing Regulations and respectively read with Section 177 of the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31st March 2022:



1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri Madhava Rao P, Independent Director as Member
3. Sri. Ramadas Kasameni, Independent Director as Member

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 (2) of the Listing Regulations the Audit Committee met 4 (Four) times during the financial year under review, on 09-07-2021, 13-08-2021, 12-11-2021 and 09-02-2022 and the attendance of the members of the Audit Committee as recorded is as under:

SL. No.	Name of the Director	Status	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	3
2	Mr. P. Madhava Rao	Member	2
3	Mr. Ramadas Kasameni	Member	4

Head of Finance & Accounts Division and Internal Auditors attended the meetings of the Audit Committee as Invitees. In terms of compliance with the requirement of Listing Regulations, The Audit Committee reviews the information from time to time as specified in the aforesaid clause.

5. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

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

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

ii. Composition and Role of Nomination and Remuneration Committee:

Nomination and Remuneration Committee comprises the following non-executive independent directors as on 31st March 2022:

1. Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
2. Mr. Ramadas Kasameni, Independent Director as Member
3. Mr. P. Madhava Rao, Independent Director as Member

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

iii. Attendance during the year:

The Nomination and Remuneration Committee met 1 (One) times, during the financial year under review, on 13-08-2021. The attendance of the meeting by the members of the Committee as recorded is as under:

SL. No.	Name of the Director	Position	No. of meetings Attended
1	Smt. Ch. Lakshimi Kumari	Chairperson	1
2	Mr. P Madhava Rao	Member	1
3	Mr. Ramadas Kasameni	Member	1



iv. Remuneration Policy:

The Policy provides for the following:

- a) Attract, recruit, and retain good and exceptional talent;
- b) List down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- c) Ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
- d) Motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) Fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

Criteria for performance evaluation as laid-down by nomination and remuneration committee

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

Evaluation Criteria:

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

v. Details of Remuneration to Executive Directors:

Of the total 6 (Six) Directors, 2 (Two) are Executive Directors. The remuneration payable to these directors is determined by the Board on the recommendation of the Nomination and remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non executive directors have drawn sitting fees from the Company for attending the meetings of the board and the committees. Details of Remuneration of the executive Directors for the financial year 2021-2022 are as follows:

Sl. No.	Director	Consolidated Salary (Per Month) (Rs.)	Perquisites, Allowances and other Benefits	Performance Bonus/ Incentive/ Commission/ Stock Option	Sitting Fees (Rs.)	Total (Per Annum) (Rs.)
1	Mr. N. Seethaiah Managing Director	5,00,000/-	-	-	-	60,00,000
2	Mr. Mohammad Shafi Whole-time Director	3,00,000/-	-	-	-	36,00,000
3	Mr. Ramadas Kasarneni, Independent Director	-	-	-	40,000	40,000
4	Mr. P. Madhava Rao, Independent Director	-	-	-	20,000	20,000
5	Mr. Ch. Lakshimi Kumari, Independent Director	-	-	-	30,000	30,000
6	Mr. Madhu Malampati Non-Executive & Non-Independent Director	-	-	-	40,000	40,000



- v. Details of shareholding of Directors as on 31st March 2022:
As on 31st March 2022, the Company had 2 (Two) Executive Directors, 3 (Three) Non Executive Independent directors and 1 (One) Non-Executive & Non-Independent Director, the one executive director and one Non-Executive & Non-Independent Director holds equity shares in the Company. The other non executive directors do not hold any shares in the Company. The details are as follows:

SL. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Mr. Ramadas Kasameni	Chairman & Independent Director	Nil	Nil
2	Mr. Nama Seethaiah	Managing Director	23802	0.03
3	Mr. Mohammad Shafi	Whole-time Director	Nil	Nil
4	Mr. P. Madhava Rao	Independent Director	Nil	Nil
5	Smt. Ch. Lakshmi Kumari	Independent Director	Nil	Nil
6	Mr. Madhu Malampati	Non-Executive & Non-Independent Director	24000	0.03

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

i. Composition of the Committee:

The Stakeholders' Relationship Committee comprises of the following Members as on 31st March 2022.

4. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
5. Mr. P Madhava Rao, Independent Director as Member
6. Mr. Mohammad Shafi, Whole-time Director as Member

ii Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 2 (two) times during the year on 09-07-2021 and 09-02-2022, attendance of members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	2
2	Mr. Mohammad Shafi,	Member	2
3	Mr. P. Madhava Rao	Member	1

- iii. Name and Designation of Compliance Officer: Mr. M.S. Sivanand, Company Secretary has resigned w.e.f. 21-03-2022 and appointed Mr. D. Malla Reddy, Company Secretary as Compliance Officer w.e.f. 21st March, 2022.
- iv. Number of Shareholders' Complaint received during the year under report:
All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. During the period under review, the Company has not received the Complaints from Shareholders.
- v. Number of Complaints not solved to the satisfaction of Shareholders as on the date of approval of Directors Report - Nil
- vi. Number of Pending Complaints as on the date of approval of Directors Report - Nil



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

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

7. GENERAL BODY MEETINGS:

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

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

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

Particulars	Date & Time	Venue	Special Resolution passed
31 st AGM (2020-2021)	30-09-2021 3.00 PM	Deemed Venue: Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
30thAGM (2019-2020)	05-12-2020 3.00 PM	Deemed Venue: Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
29thAGM (2018-2019)	21-09-2019 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil

iii. Postal Ballot:

During the year no resolution was passed through postal ballot.

None of the business which is proposed to be transacted at the ensuing Annual General Meeting requires passing of a resolution through postal Ballot process.

iv. Meeting of Independent Directors

Pursuant to the companies Act, 2013 read with rules made there under and Secretarial Standard-I issues by the Institute of Company Secretaries of India and SEBI (LODR) Regulations, 2015 a meeting of the Independent Directors of the Company for the calendar year 2022 was held on 9th February, 2022.

8. DISCLOSURES:

i. Related Party Transaction (RPT):

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

The Company has also formulated a policy for determining the Material RPT and the details of such policy for dealing with RPT are disseminated in the website of the Company under the following link: [http://www.madhucon.com/corporate investors.html](http://www.madhucon.com/corporate%20investors.html)

ii. Disqualification of Directors: As on March 31, 2022 none of the Directors of the Company were disqualified under section 164(2) of the Companies Act, 2013. Certification by a company secretary in practice to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. As required under Schedule V Part C Regulation 10 Sub regulations (i) of SEBI (LODR) Regulations, 2015 disclosure was also made appropriately (Annexure – A).

iii. There is no non-compliance by the Company, penalties, and strictures imposed on the Company by SEBI or Statutory Authority on any matters relating to capital markets during the last three years.

iv. Whistle Blower Policy:

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also



provides for adequate safeguards against victimization of directors/employees who use the mechanism. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e mail ID. whistleblower@madhucon.com. Key directions/actions will be informed to the Managing Director of the Company.

- v. The Managing Director has issued certificate pursuant to the provisions of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

- vi. Practising Company Secretaries Certificate on Corporate Governance as required under Schedule V, Part C of Listing Regulations annexed herein forming a part of Corporate Governance Report.

- vi. Subsidiary Companies:

The financials of all the subsidiary companies have been duly reviewed by the audit committee. The Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

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

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

- viii. SEBI Prevention of Insider Trading:

With SEBI imposing the responsibility of "Prohibition of Insider Trading" in the Organizations, Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed under SEBI (Prohibition of Insider Trading) Regulations 2015. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company, while in possession of the unpublished price sensitive information in relation to the Company. As on the date, there have been no violations of insider trading regulation.

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

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. The Board of Directors has adopted a code of conduct for all Board members and senior management of the Company and affirmed its compliance on annual basis for the Financial Year ended 31st March 2022. In terms of compliance with the requirement of Regulation 46 of the Listing Regulations are disseminated in the website of the Company under the following link:

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

- x. Discretionary requirements under Listing Regulations: The Company has complied with all the discretionary requirements of Corporate Governance stipulated under Part E of Schedule V of the Listing Regulations. Certificate to this effect has been issued by Mr. S Venkata Krishna Reddy, Practising Company Secretary and the same has been incorporated as an Annexure to the Directors Report.

9. SHAREHOLDER'S COMMUNICATION:

- i. The quarterly financial provisional- un audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarters and fourth quarter duly audited within 60 days as per the Regulation 33 of Listing Regulations.

The financial calendar events of 2021 -2022 relating to quarterly un-audited and quarterly and yearly Audited financial results are as follows:

Financial Results Reporting for the :	For 2021-22 were announced on
1st Quarter ended 30 th June, 2021	13th August, 2021
2nd Quarter ended 30th September, 2021	13th November, 2021



3rd Quarter ended 31st December, 2021	9 th February, 2022
4th Quarter and financial year ended 31st March, 2022	28th May, 2022

- ii. The financial provisional un-audited results are published in a leading daily newspaper in English and in Regional language having nationwide circulation viz. Financial Express and Mana Telangana and are disseminated in the website of the Company under the following link:
http://www.madhucon.com/FinancialResults_31032022.pdf
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in [https:// www.connect2nse.com/LISTING/](https://www.connect2nse.com/LISTING/) and to Bombay Stock Exchange in <http://listing.bseindia.com>
- iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.

10. GENERAL SHAREHOLDER'S INFORMATION:

- i. AGM: Date, Time and Venue:
Date : 29th September, 2022
Day : Thursday
Time : 03:00 PM
Venue : Registered Office of the Company at Madhu Complex, 1-7-70, Jublipura, Khammam-507003.
- ii. Financial Year:
The Company follows the financial year commencing from 1st April to 31st March on consistent basis.
- iii. Listing on Stock Exchanges:
Bombay Stock Exchange (BSE)
Stock Code No.: BSE – 531497
National Stock Exchange (NSE)
Stock Code No.: NSE – MADHUCON
- iv. ISIN: INE 378D01032
- v. Market Price Data:
High and Low during each month in last financial year 2021-2022:
High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE during the 12 monthsperiod ended 31st March 2022 are as under-

A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2021	5.47	4.75	1,08,433	284
May, 2021	5.80	4.56	2,69,667	1,380
June, 2021	7.43	4.87	8,46,921	2,457
July, 2021	7.72	5.94	7,28,257	2,301
August, 2021	6.93	4.61	2,46,348	694
September, 2021	5.60	4.42	4,58,750	1,117
October, 2021	6.00	4.55	6,02,258	2,002
November, 2021	7.11	4.87	9,99,058	1,799
December, 2021	11.70	6.72	21,68,905	3,999
January, 2022	12.95	9.20	10,73,929	3,419
February, 2022	10.74	6.75	3,91,302	1,251
March, 2022	8.30	5.66	4,23,625	1,142



B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares	No. of Trades
April, 2021	5.50	4.60	8,95,888	711
May, 2021	5.75	4.65	6,18,441	2496
June, 2021	7.35	5.00	25,99,510	5851
July, 2021	7.75	6.05	20,28,209	4654
August, 2021	7.00	4.65	8,22,028	2219
September, 2021	5.35	4.45	10,46,711	3011
October, 2021	6.10	4.55	27,06,661	5928
November, 2021	7.00	4.70	20,88,069	4714
December, 2021	11.60	6.65	23,12,540	5107
January, 2022	12.85	9.35	24,84,915	8244
February, 2022	10.75	6.65	11,24,894	3494
March, 2022	8.20	5.70	8,95,888	2972

vi. Registrar and Transfer Agents:

M/s KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot 31- 32,
Gachibowli, Financial District, Nanakramguda
Hyderabad, Telangana-500 032
Phone No.040-67161605

vii. Share Transfer System:

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

viii. Others:

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

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

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

A) Distribution of Shareholding as on 31st March, 2022

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	% of Shareholders	In Rs.	% of holding
1 - 5,000	19051	95.97	1,03,33,354	14.00
5,001 - 10,000	397	2.00	29,94,023	4.06
10,001 - 20,000	195	0.98	27,71,445	3.76
20,001 - 30,000	74	0.37	18,61,406	2.52



30,001 - 40,000	29	0.15	9,99,678	1.35
40,001 - 50,000	17	0.09	7,70,993	1.05
50,001 - 1,00,000	41	0.21	28,57,715	3.87
1,00,001 - Above	46	0.23	5,12,06,326	69.39
Total	19,850	100.00	7,37,94,940.00	100.00

ix. Dematerialization of shares and liquidity:

7,35,40,130 Equity Shares equivalent to 99.65 % of the total equity share capital have been dematerialized and 2,54,810 are in physical form equivalent to 0.35% as on 31st March 2022.

Electronic/Physical	No. of Holders	No. of Shares	% to Equity
NSDL	8932	53844435	72.96
CDSL	10863	19695695	26.69
Physical	55	254810	00.35
Total	19850	7,37,94,940	100.00

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

x. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No Outstanding instruments.

xi. Plant Locations – Not applicable since the Company is not engaged in manufacturing activities.

xii. Address for Investors Correspondence:

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

M/s. KFin Technologies Pvt. Ltd
(formerly known as Karvy Fintech Private Limited.) Karvy Selenium Tower B, Plot 31- 32,
Gachibowli, Financial
District, Nanakramguda
Hyderabad, Telangana-
500 032
Phone No.040-67161605

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

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

Company Secretary & Compliance Officer:
Mr. D. Mallu Reddy
Corp. Off: "Madhucon House", Plot No.1129/A,
Road No.36, Jubilee Hills, Hyderabad – 500 033 India
Telephone: (040) 23556001 / 2 / 3 / 4
Fax No: (040) 23556005
E-Mail: cs@madhucon.com

11. LISTING FEES:

Listing fee has been paid to BSE and NSE within the prescribed time limit as set in the Listing Regulations for the Financial Year 2022-2023.



12. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

13. DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

I hereby confirm that the company has obtained from all the members of the Board and Senior Management personnel, affirmations that they have complied with code of conduct for Board Members and senior Management personnel in respect

For and on behalf of the Board

sd/

Nama Seethaiah
Managing Director
DIN:00784491

Place: Hyderabad

Date : 11-08-2022

CEO/CFO/GM (Finance & Accounts) Certification

In relation to the Audited Financial Statements of the Company as at March 31, 2022, Mr. Nama Seethaiah, Managing Director and Mr. K. Venkateswarlu, Chief Financial Officer of the Company certify that:

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

Sd/-
(K. Venkateswarlu)
Chief Financial Officer

Sd/-
(N Seethaiah)
Managing Director & CEO
DIN:00784491

Place: Hyderabad

Date: 11-08-2022



(i) **PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE**

To
The Members,
MADHUCON PROJECTS LIMITED
H.no.1-7-70, Jublipura,
Khammam-507003,
Telangana, India.

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited (the Company), for the year ended March 31, 2022 as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Venkata Krishna & Associates
Company Secretaries

Venkata Krishna Reddy Sabbella
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083D000448775

Place: Hyderabad
Date: 11.08.2022



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
MADHUCON PROJECTS LIMITED
H.no.1-7-70, Jublipura,
Khammam-507003,
Telangana, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MADHUCON PROJECTS LIMITED** having CIN: L74210TG1990PLC011114 and having registered office at H.No.1 7-70, Jublipura Khammam TG 507003 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sl.No	Name of the Director	DIN
1	Ramadas Kasaraneni	02182093
2	Seethaiah Nama	00784491
3	Lakshimi Kumari Chinthapalli	06942473
4	Potla Madhava Rao	00385838
5	Mohammad Shafi	07178265
6.	Madhu Malampati	00368625

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Venkata Krishna & Associates
Company Secretaries

Place: Hyderabad
Date : 11-08-2022

(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083D000448731



**FORM NO MR-3
SECRETARIAL AUDIT REPORT**

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

To,
The Members of,
MADHUCON PROJECTS LIMITED,
H.No.1-7-70, Jublipura
KhammamTG 507003 IN

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. **MADHUCON PROJECTS LIMITED (CIN:L74210TG1990PLC011114)** (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification on the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed here under and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by MADHUCON PROJECTS LIMITED for the financial year ended 31st March, 2022 according to the provisions of:-

- i. The Companies Act, 2013 and the rules made there under as applicable.
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye Laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable as there was no Acquisition of Shares)



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agent) Regulations 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (Not applicable as the company did not issue any securities during the financial year under review)
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the company has not bought back any of its securities during the financial under review).
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable as the company has not delisted its equity shares from any stock exchange during the financial under review)
- vi. I have also examined compliance with the applicable clauses of the following:
- (a) The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, National Stock Exchange of India Limited, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company through Revised SSI and SS2.

I, further report that:

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

The Chairman of the Company should be either an Executive/Promoter or Independent Director and optimum combination of Executive, Non-executive Directors including Independent and Women Director should be maintained. In case if a company has either Executive / Promoter Chairman then not less than 50% of the Board of Directors shall comprise of Non-executive Independent Directors as per SEBI (LODR) Regulations, 2015.

- (b) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient Compliances.
- (d) During the period under review the Company has complied with the



provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above subject to the following observations:

- i) The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 6.62 lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- ii) The Company has yet to file Annual Return on Foreign Liabilities and Assets as notified under the regulations of FEMA Act, 1999 vide notification no- RBI/2010-11/427 A.P. (DIR Series) Circular No. 45.
- iii) In view of losses incurred by the company and in the absence of prior approval from lenders banks and financial institutions, managerial remuneration paid by the company during the year is in excess of the limits specified in accordance with the provisions of section 197 read with schedule V of the Companies Act, 2013.
- iv) The Company has constituted the corporate social Responsibility committee required under the Corporate Social Responsibility Policy under the provisions of section 135 of the companies act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules 2014

However in view of losses incurred During the Preceding three Years, the Company is unable to spend any amount towards to the Corporate Social Responsibility Activities.

- v) The following cases have been pending against the Company in National Company Law Tribunal (NCLT), Hyderabad Bench

SR No	CASE TITLE AND NUMBER	DETAILS
1	SREI Equipment Fin. Ltd., Vs MPL CP(IB)/12/HDB/2021	Reserved for Orders in IA No. 376/2022. Filed the application U/s. 12 of IBC for the claim
2	SBI Vs SEPL - Mr. Anish Niranjan Navaty Vs MPL(R2) CB(IB)/13/7/HDB/2020	Counter filed for MPL; MIL; MSPIL & Sri Nagendra - Notice for R3, R4 & R5. Preferred for transactions U/s 25(j), 43 to 51 R/w 66, 67 and 60(5) of IBC, 2016
3	M/s. SRI BALAJI ASSOCIATES-MPL CP(IB)No.260/9/HDB/2018	Petitioner filed the application U/s. 9 of IBC for the claim

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that Company has complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

- a. Maintenance of various statutory registers and documents and making necessary entries there in;
- b. Closure of Register of Members;
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central



- Government, National Company Law Tribunal (NCLT) or other Authorities;
- d. Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
 - e. Notice of Board and various Committee meetings of Directors;
 - f. The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
 - g. The 31st Annual General Meeting of the Company was held on 30th September, 2021
 - h. Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
 - i. Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
 - j. Payment of remuneration to Directors, Managing Director and Executive Directors;
 - k. Appointment and Remuneration of Statutory Auditors and Cost Auditors;
 - l. Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
 - m. Borrowings and registration of charges;
 - n. Report of the Board of Directors;
 - o. Investment of the Company's funds including inter-corporate loans and investments;
 - p. Generally, all other applicable provisions of the Act and the Rules there under.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by internal auditors and other designated professionals.

I further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws..

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

- (a) Rule 3(4) Shops and Establishment Rule, 1990.
- (b) Labour Act, 1970 or Labour Act, 2015 and rules made there under applicable
- (c) Telangana Tax on Professional, Trades Calling and Employment, 1987 and the rules made there under as applicable.
- (d) Employees Provident Fund Scheme, 1952 and the rules made there under as applicable is under Implementation .
However, Provident Fund commissioner-I of Madhapur, Hyderabad had initiated Proceedings against the Company for the recovery of past old dues relating to the-years 2007 - 2008 & 2009 - 2014. The Honourable High Court of Telangana Issued Stay of the Proceedings.
- (e) Employee Pension Scheme, 1995 and the rules made there under as applicable.



- (f) Employees Deposit Linked Insurance Scheme, 1976 and the rules made there under as applicable.
- (g) The Employees' State Insurance Act, 1948
- (h) The Workmen Compensation Act, 1923
- (i) Industrial Dispute Act, 1947 and the rules made there under as applicable.
- (j) Payment of Gratuity Act, 1972 and the rules made there under as applicable.
- (k) Contract Labour (Regulations and Abolition) Act, 1970 and Rules there under; and
- (l) Maternity Benefits Act, 1961
- (m) Air prevention and control of pollution Act, 1981
- (n) Environmental protection Act, 1986
- (o) Water prevention and control of pollution Act 1974
- (p) Motor transport Workers Act, 1961
- (q) Noise Pollution (Regulation & Control) Rules, 2000
- (r) Municipals Solid Waste (Management and Handling) Rules, 2000

I further report that "the Company" has defaulted in repayment of dues to Banks and financial institutions. All these loans outstanding were classified as NPA by the Banks and Financial Institutions.

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

I have relied on the information supplied and representation made by the Company and its officers, agents, for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company and my Annexed even letter dated is to be read along-with with this report.

**For Venkata Krishna & Associates
Company Secretaries**

**Place: Hyderabad
Date : 01.06.2022**

**Venkata Krishna Reddy Sabbella
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083D000448643**



To,
The Members,
MADHUCON PROJECTS LIMITED,
H.No.1-7-70, Jublipura,
Khammam,
Telangana 507003.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and Statutory Dues of the Company as commented by the Auditors.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Venkata Krishna & Associates
Company Secretaries**

**Place: Hyderabad
Date : 01.06.2022**

**Venkata Krishna Reddy Sabbella
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083D000448643**



STANDALONE FINANCIAL STATEMENTS

2021-2022



INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Madhucon Projects Limited

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the financial statements of **M/s. Madhucon Projects Limited** ("the company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and cash flows for the year ended on that date.

Basis for Qualified Opinion

- 1) We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of investments, loans and advances is required.
- 2) We refer to the "Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.33 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
- 3) There are outstanding Loans and advances of Rs. 3075.11 Lakhs and Rs 362.87 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.



- 4) The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 6.62 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- 5) "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.67,087.79 Lakhs and Rs.4,508.69 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2021-22.
- 6) In the absence of confirmations of Trade Payables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
- 7) (a) The Company is yet to file final GST Returns for the FY 2021-22 in case of a few states.
(b) The turnover and input credits are subject to reconciliation.
- 8) 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. 93.93 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.
- 9) In case of "Ranchi Expressways Ltd (REL)", a step down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress.
- 10) The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
- 11) Internal Audit has not been conducted for the period 01st October 2021 to 31st March 2022.
- 12) There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax (VAT), and other statutory dues. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable (refer Annexure A, point VII)

Emphasis of Matter

- "the Company" has offered Rs. 3,999.13 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.



- We draw attention to Note 2.41 to Standalone financial statements- "The Company's" current liabilities exceeded current assets and "The Company" has defaulted in payment of dues to banks , all these indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of its continuing discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan, and "The Company" will continue to be in operation in the foreseeable future.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

- The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded.
- "The Company" has defaulted in repayment of dues to Banks and financial institutions All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2021-22.
- There are no confirmations of Trade Payables and various advances/loans.
- Title Deeds in respect of certain immovable properties (lands) held by the Company were not produced.
- Internal Audit has not been conducted for the period 01st October 2021 to 31st March 2022.
- "The Company's" current liabilities exceeded current assets and "The Company" has defaulted in payment of dues to banks

**In connection with our audit of the Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to

Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 statements, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matter described in the *Basis for Qualified Opinion* proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) Except for the possible effects of the matter described in the *Basis for Qualified Opinion* the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account; as per Companies (Audit and Auditors) Rules, 2014 as amended.
 - d) Except for the possible effects of the matter described in the *Basis for Qualified Opinion*, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.



- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
- g) In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the pending litigations which would impact its financial position in its notes to financial statements.
 - ii. The Company does not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 6.62 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or



provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has neither declared nor paid any dividend during the year.

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

**A. Krishna Rao
Partner
Membership No. 020085
UDIN:22020085AKQNJI3255**

**Place: Hyderabad
Date:28-05-2022**



Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of M/s. Madhucon Projects Limited on the Financial Statements for the year ended 31st March 2022, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company doesn't have any intangible assets.
 - b) As explained to us, Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - c) The Company has not produced Title Deeds in respect of certain immovable properties (lands) held, as such we are unable to provide the details as required.
 - d) According to the information and explanations given to us by the management the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
 - e) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a) In our opinion and according to the information and explanations given to us the Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable. As per our observations the coverage and procedure of such verification was appropriate, and there are no



- major discrepancies found on and above 10% aggregately of such classes of inventory.
- b) The Company has not been sanctioned working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets .
- iii. (a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to other entity during the year
- (b) In our opinion, the loans provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Aggregate amount for the year Rs 18722.12 /-lakhs.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 185 and 186 of the Act to the extent applicable, in respect of loans, investments guarantees and security.
- v. During the year The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under.



- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues:
- a) There are some delays in depositing undisputed statutory dues including Provident Fund, , Income-tax, Sales Tax, Goods and Service Tax, , Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

S.No.	Name of the Status	Nature of Due	Period	Rs. in Lakhs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	139.93
2	Professional Tax	PT PAYABLE	2011-12 to 2020-21	20.87
3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	95.73
4	Sales Tax	Sales Tax payable	2013-14 to 2021-22	28.55
5	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42
6	Goods and Service Tax	Goods and Service Tax	2021-22	1,467.27
7	The Income Tax Act, 1961	Tax Deducted at Source	2021-22	3.07



- b) Details of dues of Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and CESS which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.in lakhs)
Sales Tax	Hon'ble High Court	2001 to 2005 & 2009-10	687.42
Entry Tax	Hon'ble High Court	2015-16 & 2016-17	8.85
Service Tax	Settlement Commission	2010-12	1,655.75

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) Based on the examination of books of accounts and related records and according to the information and explanations given by the management, the company has defaulted in repayment of dues to financial institutions and banks during the year [Refer Point (5) of Basis for Qualified Opinion], as follows:

Delay in Principal and Interest payments:

Nature	Name of the Lender	Amount not paid on due date	Principal or Interest	Amount in Rs.Lakhs	
				No. of days delay or unpaid	Remarks, if any
Cash credit	Bank of India	4,213.20	Principal	181 and above days	The loan has become NPA
Cash credit	Canara Bank	5,758.56	Principal	181 and	The loan

				above days	has become NPA
Cash credit	Axis Bank	8,958.54	Principal	181 and above days	The loan has become NPA
Cash credit	ICICI Bank	21,217.85	Principal	181 and above days	The loan has become NPA
Cash credit	State Bank of India	4,690.75	Principal	181 and above days	The loan has become NPA
Cash credit	Punjab National Bank	4,991.80	Principal	181 and above days	The loan has become NPA
Cash credit	Kotak Mahindra Bank	4,836.26	Principal	181 and above days	The loan has become NPA
Cash credit	IDBI	7,487.70	Principal	181 and above days	The loan has become NPA
Term loan	SREI Equipment Finance Ltd.(Financial Institution)	4000.00	Principal	181 and above days	The loan has become NPA
Interest on loans	Axis Bank	35.25	Interest	181 and above days	The loan has become NPA
Interest on loans	ICICI Bank	4,107.30	Interest	181 and above days	The loan has become NPA
Interest on loans	IDBI Bank	348.19	Interest	181 and above days	The loan has become NPA
Interest on	Canara Bank	193.00	Interest	181 and	The loan

loans				above days	has become NPA
Interest on loans	Punjab National Bank	249.40	Interest	181 and above days	The loan has become NPA
Interest on loans	SREI Equipment Finance Ltd.(Financial Institution)	508.69	Interest	181 and above days	The loan has become NPA

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or other lenders.
- c) According to the information and explanations given to us and in our opinion, the Company has not raised any term loans during the year.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not



made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year.

- xi. a) No fraud by the Company and on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. i. Internal audit has not been conducted from October 2021 onwards, In our opinion the Company has no adequate internal audit system commensurate with the size and the nature of its business.
 - a) We have considered, the internal audit reports up to 31st September, 2021, under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. As per the provisions of section 192 of the Companies Act, 2013



- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) There is no core investment company within the Group (as defined in the Core Investment Companies(Reserve Bank) Directions, 2016)
- xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year 2020-21, cash losses amounts to Rs (2,884) /- lakhs and Rs (3,086)/- lakhs respectively .
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, material uncertainty exists as on the date of the audit report indicate that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, which depend on the outcome of the management plans(refer note on Going Concern 2.41) on the discussions with its lenders to obtain approval for and implementation of appropriate debt resolution plan.
- xx. In view of the losses incurred by the company, it is not covered under the provisions of section 135 of the Companies act 2013.



- xxi. The qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, the details of the companies and the clauses of the CARO report containing the qualifications or adverse remarks -

S No	Name	CIN	Holding Company/subsidiary /Step down subsidiary Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	TN(DK) EXPRESSWAYS LIMITED	U45200TG2006PLC048941	Step down subsidiary	(ix), (xiv), (xvii)
2	TRICHY-THANJAVUR EXPRESSWAYS LIMITED	U45200TG2006PLC049815	Step down subsidiary	(ix), (xiv)
3	CHHAPRA-HAJIPUR EXPRESSWAYS LIMITED	U45209TG2010PLC068742	Step down subsidiary	(ix)
4	BARASAT-KRISHNAGAR EXPRESSWAYS LIMITED	U45203TG2011PLC073469	Step down subsidiary	(ix), (xiv)
5	VIJAYAWADA-MACHILIPATNAM EXPRESSWAYS LIMITED	U45209AP2011PLC077676	Step down subsidiary	(xiv), (xvii)
6	RAJALI-BAKHTIYARPUR EXPRESSWAYS LIMITED	U45203TG2012PLC080775	Step down subsidiary	(xiv), (xvii)
7	MADURAI-TUTICORIN EXPRESSWAYS LIMITED	U45203TG2006PLC050114	Subsidiary	(ix), (xvi)



8	NAMA HOTELS PRIVATE LIMITED	U55101TG2007PTC056818	Subsidiary	(vii), (xiv)
9	MADHUCON HEIGHTS PRIVATE LIMITED	U45209TG2007PTC056733	Subsidiary	(vii), (ix), (xiv), (xix)
10	MADHUCON MEGA MALL PRIVATE LIMITED	U45400TG2007PTC056734	Subsidiary	(vii), (xiv)
11	MADHUCON INFRA LIMITED	U45200TG2006PLC049235	Subsidiary	(vii), (ix), (xiv), (xix)
12	RANCHI EXPRESSWAYS LIMITED	U45209TG2011PLC073568	Step down subsidiary	(xiv), (xvii)
13	MADHUCON PROPERTIES LIMITED	U45200TG2005PLC045366	Associate	(vii),(xiv)

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

**A Krishna Rao
Partner
Membership No:020085
UDIN: 22020085AKQNJI3255**

**Place: Hyderabad
Date:28-05-2022**



Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of M/s. Madhucon Projects Limited ('the company') as of 31st March 2022 in conjunction with our audit of Financial Statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion except for the possible effects of the matter described in the basis for qualified opinion, the company has, in all material respects, reasonable internal financial controls system over financial reporting but not adequate and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 22020085AKQNJI3255

Place: Hyderabad
Date: 28-05-2022



Madhucon Projects Limited
Balance Sheet as at March 31, 2022
 (All the amounts are in lakhs except "No of Shares", "Face value of Equity share"
 and Earning per share)

(₹ in Lakhs)

Particulars	Note No.	As at	
		March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2.1	3,816.45	4,327.87
(b) Financial Assets			
(i) Investments	2.2	1,48,838.38	1,48,838.38
(ii) Trade Receivables	2.3	7,465.49	7,864.07
(iii) Loans	2.4	25,767.64	26,426.45
(iv) Others Financial Assets	2.5	20,022.04	23,410.54
(c) Deferred tax Asset (Net)	2.6	2,568.36	4,438.51
(d) Other Non-Current Assets	2.7	21,958.73	25,372.38
Total Non-Current Assets		2,30,437.09	2,42,678.39
Current Assets			
(a) Inventories	2.8	382.43	1,316.67
(b) Financial Assets			
(i) Trade Receivables	2.9	1,239.02	165.54
(ii) Cash and Cash equivalents	2.10	1,057.89	1,011.48
(iii) Others Financial Assets	2.11	3,843.43	4,062.31
(c) Current Tax Asset (Net)		3,677.21	5,928.08
(d) Other Current Assets	2.12	6,413.00	6,881.46
Total Current Assets		16,613.99	19,365.94
Total Assets		2,47,050.08	2,62,043.93
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	2.13	740.32	740.32
(b) Other Equity	2.14	52,191.06	55,588.59
Total Equity		52,931.39	56,328.91
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.15	-	13.53
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than microenterprises and small enterprises.]		7,270.58	12,199.14
(iii) Other Financial Liabilities	2.17	73.54	369.47
(b) Provisions	2.18	113.51	104.67
(c) Other Non-Current Liabilities	2.19	1,311.35	3,256.63
Total Non-Current Liabilities		8,768.97	15,943.43
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.20	71,596.48	73,171.30
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than microenterprises and small enterprises.]		58,825.21	62,797.26
(iii) Other Financial Liabilities	2.22	9,725.76	11,311.57
(b) Other Current Liabilities	2.23	33,293.69	39,340.46
(c) Provisions	2.24	10,598.34	1,007.11
(d) Current Tax Liabilities (Net)		1,312.26	2,143.88
Total Current Liabilities		1,85,349.72	1,89,771.58
Total Equity and Liabilities		2,47,050.08	2,62,043.93

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

As per our reported even date order.

For F. Marshall & Co.

Chartered Accountants

FBN : 0072579

A. Krishna Rao

Partner

Membership Number 020685

For and on behalf of the Board

(N. Seethaiah)

Managing Director

DIN-00784491

Mohammad Shafi

Whole-time Director

DIN-07178265

Place : Hyderabad

Date : May 28, 2022

K. Venkateswarlu
Chief Financial OfficerD. Malla Reddy
Company Secretary
ACS: 9559



Madhuccon Projects Limited
Statement of Profit and Loss for the Year ended March 31, 2022

(₹ in Lakhs)

	Note No.	Year ended March 31, 2022		Year ended March 31, 2021	
Income					
Revenue from Operations	2.25	70,614.85		64,655.05	
Other Income	2.26	1,656.95		7,190.97	
Total Income			72,271.80		71,846.02
Expenses					
Cost of Materials Consumed and Work Expenses	2.27	51,899.33		63,442.04	
Employee Benefits Expense	2.28	1,679.16		1,728.40	
Finance Costs	2.29	417.54		263.72	
Depreciation and amortization expense	2.1	478.06		595.97	
Other Expenses	2.30	19,308.89		10,872.13	
Total Expenses			73,782.99		76,902.26
Profit/Loss Before Tax before Exceptional Items			(1,511.19)		(5,056.24)
Impairment of Investments			-		-
Profit/Loss Before Tax after Exceptional Items			(1,511.19)		(5,056.24)
Tax Expense					
Current Tax (Income Tax)		-		-	
Income Tax Refund Received		-		(5,392.23)	
Deferred Tax		1,870.14		3,982.68	
			1,870.14		(1,409.55)
Profit/Loss for the Year			(3,381.33)		(3,646.69)
Other Comprehensive Income / (Loss)					
Remeasurement of the Defined Benefit Plans		19.45		(35.65)	
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		-		-	
Other Comprehensive Income / (Loss) for the year (net of taxes)			19.45		(35.65)
Total Comprehensive Income/Loss for the Year			(3,361.88)		(3,682.34)
Earnings per share of face value of ₹ 1 each					
Basic and Diluted			(4.58)		(4.94)

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

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

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085

(N. Seethalah)
Managing Director
DIN-00784491

Mohammad Shafi
Whole-time Director
DIN-07178265

Place : Hyderabad
Date : May 28, 2022

K. Venkateswarlu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



Madhuccon Projects Limited
Statement of Changes in Equity for the Year ended March 31, 2022
a) Equity Share Capital
 (Equity Shares of Rs1/- each 7,37,94,940 shares)

3) Current Reporting Period					(₹ in Lakhs)
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
740.32	-	-	-	740.32	

2) Previous Reporting Period					(₹ in Lakhs)
Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period	
740.32	-	-	-	740.32	

B) Other equity

1) Current Reporting Period

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	Other items of other comprehensive income (specify nature)		
Balance at the beginning of reporting period	-	-	-	29,313.07	5,061.53	21,546.78	(332.81)	-	55,588.58
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(3,381.33)	-	-	(3,381.33)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/(loss) for the year	-	-	-	-	-	35.25	(71.55)	-	(36.30)
Balance at the end of the year	-	-	-	29,313.07	5,061.53	18,200.80	(384.36)	-	52,191.07

2) Previous Reporting Period

	application money pending	Equity component of compound financial instruments	Reserves and Surplus					Money received	Total
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	Other items of other comprehensive		
Balance at the beginning of Previous reporting period	-	-	-	29,313.07	5,061.53	21,195.47	(267.15)	-	56,270.92
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year	-	-	-	-	-	(3,446.69)	(35.66)	-	(3,482.35)
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-	-	-	-
Balance at the end of the Previous year	-	-	-	29,313.07	5,061.53	21,546.78	(332.81)	-	55,588.58

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

For P.Marall & Co.
 Chartered Accountants
 FRN : 0072578

A. Krishna Rao
 Partner
 Membership Number 020085

Place : Hyderabad
 Date : May 28, 2022

For and on behalf of the Board

K. Seethalab
 Managing Director
 DIN-00784491

Mohammad Shafi
 Whole-time Director
 DIN-07178265

K. Venkateswarlu
 Chief Financial Officer

D. Malla Reddy
 Company Secretary
 ACS: 9559



MADHUCON PROJECTS LIMITED		
Standalone Cash Flow Statement for the Year ended March 31, 2022		
		(₹ in Lakhs)
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flow from operating activities		
Profit/(loss) before income tax	(1,511.19)	(5,056.25)
Adjustments for:		
Exceptional Item	-	-
Depreciation and amortisation expense	478.06	595.97
Dividend and interest income classified as investing cash flows	(113.86)	(78.60)
Finance costs	417.54	847.22
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(674.91)	10,957.75
(Increase) decrease in inventories	934.24	1,468.41
(Increase)/decrease in other financial assets	5,607.38	(8,111.58)
(Increase)/decrease in other current and non-current assets	6,133.18	1,115.09
Increase/(decrease) in Loans	658.81	(9,531.86)
Increase/(decrease) in trade payables	(8,902.62)	22,037.79
Increase/(decrease) in other financial liabilities	7,702.14	(26,843.88)
Increase/(decrease) in other current and non-current liabilities	(8,823.67)	(6,391.62)
Increase/(decrease) in Non current Investments	-	22,727.00
Cash generated from operations	1,905.09	3,735.44
Income taxes paid	-	-
Net cash inflow from operating activities	1,905.09	3,735.44
B Cash flows from investing activities		
Payments for property, plant and equipment	33.36	(734.13)
Payments for purchase of investments	-	-
Dividend paid	-	-
Interest received	113.86	78.60
Net cash outflow from investing activities	147.22	(655.53)
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	(13.53)	(1,576.67)
Proceeds from short term borrowings (net)	(1,574.82)	(287.70)
Interest paid	(417.54)	(847.22)
Net cash outflow from financing activities	(2,005.90)	(2,711.58)
Net increase/(decrease) in cash and cash equivalents	46.42	368.33
Cash and cash equivalents at the beginning of the financial year	1,011.48	643.15
Cash and cash equivalents at end of the year	1,057.89	1,011.48
Reconciliation of cash and cash equivalents as per the cash flow statement		
	31 March, 2022	31 March, 2021
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	1,057.89	1,011.48
Balances per statement of cash flows	1,057.89	1,011.48

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

For P.Murali & Co.
Chartered Accountants
FRN : 0072575

A.Krishna Rao
Partner
Membership Number 020085

Place: Hyderabad
Date : May 28, 2022

For and on behalf of the Board

(N. Seethaiah)
Managing Director
DIN-00784491

Mohammad Shafi
Whole-time Director
DIN-07178265

K. Venkateswarlu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



Madhucon Projects Limited

Notes forming part of Financial Statements

Company Overview:

Madhucon Projects Limited (MPL) or "the Company" is an integrated construction, Infrastructure development and management Company. The Corporate Office of the Company is located at 'Madhucon House' Road No.36, Jubilee Hills, Hyderabad, India.

The Company is engaged in the business of development and execution of Engineering, Procurement and Construction (EPC) and Turnkey Projects in multiple sectors such as Transportation, Irrigation, Water Resource Infrastructures, Railways, development of smart cities and properties in India. Completing the projects with high quality workmanship and commitment to excellence made the Company a leader in the industry. The Company is best in innovation, creativity and technological mastery, delivering top-quality work, ahead of schedule, in all sectors. A majority of the development projects of the Company are based on execution of Engineering, Procurement and Construction (EPC) and Turnkey Projects.

Significant accounting policies:

1.1 Statement of compliance

The company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

1.2 Basis of preparation

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value in accordance with Indian Accounting Standards (Ind AS). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of fair values:

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1.3 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.



Madhucon Projects Limited

Notes forming part of Financial Statements

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

1.4 Cash flow statement:

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- i. Changes during the year in inventories and operating receivables and payables and transactions of a non-cash nature;
- ii. Non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. All other items for which the cash effects are investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company is segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

1.5 Use of Accounting Estimates:

The preparation of the financial statements requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

1.6 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use, attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at April 01, 2015 of its Property, Plant and Equipment and use the carrying value as deemed cost of the Property, Plant and Equipment on the date of transition i.e April 01, 2015.

1.7 Intangible Assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



Madhucon Projects Limited

Notes forming part of Financial Statements

1.8 Depreciation/ Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value. Depreciation on Property, Plant and Equipment have been provided on Straight-Line method in accordance with the Schedule II of the Companies Act, 2013, based on the useful life estimated on the technical assessment as in force and proportionate depreciation are charged for additions/disposals during the year. In respect of additions / disposal to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of disposal. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

1.9 Impairment of Assets:

At the end of each financial year, the Company reviews the carrying amounts of Intangible assets and property, plant and equipment whether there is any indication that those assets have suffered an impairment loss.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined at the higher of the fair value less cost to sell and the value in use in case of an individual asset and at higher of the cash generating unit's (CGU) net selling price and the value in use.

Impairment loss is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset or CGU is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.10 Financial Instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A. Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent Measurement

For the purpose of subsequent measurement, financial assets are classified in following categories:

(a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the



Madhucon Projects Limited

Notes forming part of Financial Statements

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets Measured at Fair Value

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. In any other case, financial asset is fair valued through profit and loss.

(c) Impairment of Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or loss.

(d) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(a) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

(b) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



Madhucon Projects Limited

Notes forming part of Financial Statements

(c) Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(d) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

1.11 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal.

Any gain or loss arising on de-recognition of the property is included in profit or loss in the period in which the property is derecognized.

1.12 Inventories:

Raw Materials:

Raw Materials, construction materials and stores & spares are valued at lower of weighted average cost or net realizable value. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

Work in Progress:

Work-in-Progress is valued at the contracted rates less profit margin / estimates.

1.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

1.14 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable.



Madhucon Projects Limited

Notes forming part of Financial Statements

1.15 Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a company undertakes its activities under joint operations, the company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue from the sale of its share arising from the joint operation,
4. its share of the revenue from the joint operations, and
5. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

1.16 Revenue Recognition

Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

1. Cost plus contracts: Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period and the margin as agreed with the customer.
2. Fixed price contracts: Contract revenue is recognized only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. the amount of revenue can be measured reliably;
- ii. it is probable that the economic benefits associated with the contract will flow to the company;
- iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.



Madhucon Projects Limited

Notes forming part of Financial Statements

1.17 Other Income:

a) Dividend Income:

Dividend income from Investments is recognised when the shareholder's right to receive payment has been established.

b) Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.18 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.19 Claims

Claims against the company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

1.20 Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for
- b) Uncalled liability on shares and other investments partly paid
- c) Funding related commitment to subsidiary, associate and joint venture companies and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.21 Foreign exchange translation and foreign currency transactions:

The functional currency and presentation currency of the Company is Indian rupee.

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

The exchange difference on restatement of long term receivables / payables from / to foreign operations that are considered as net investments in such operation are recognised in the statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.



Madhucon Projects Limited

Notes forming part of Financial Statements

1.22 Employee Benefits:

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

1.23 Borrowing Costs:

Borrowing costs include interest expense calculated using the effective interest method and finance charges in respect of assets acquired on finance lease.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.24 Taxes on Income

Income tax expense represents sum of the tax currently payable and deferred tax

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.25 Leases

The Company's leasing arrangements are mainly in respect of operating leases for premises and construction equipment.

These leasing arrangements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on agreed terms. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.



Madhucon Projects Limited

Notes forming part of Financial Statements

1.26 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.27 Earnings per Share:

Basic earnings per equity share are computed by dividing the net profit or loss for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

2.1 Property, Plant and Equipment
MADHUCON PROJECTS LIMITED

	Land	Building	Plant & Equipment	Tipper & Trucks	Furniture & Fixtures	Vehicles	Ceiling Material	Temporary Structures	Computers	Capital Work In Progress	Total
Cost											
As at 31 March 2019	1,220.47	21.67	27,016.42	12,763.71	1,309.18	2,051.80	2,216.41	3,435.87	438.27	75.51	50,549.32
Additions	-	-	229.22	-	17.75	27.84	0.39	-	13.84	48.19	307.23
Disposals	-	-	178.73	290.84	-	164.41	-	-	13.15	123.70	770.83
As at 31 March 2020	1,220.47	21.67	27,066.92	12,472.87	1,326.93	1,915.23	2,216.60	3,435.87	438.96	-	50,118.72
Additions	-	-	690.63	7.99	6.45	15.55	-	0.18	13.62	-	734.33
Disposals	-	-	88.41	52.63	0.32	94.11	-	-	-	-	195.46
As at 31 March 2021	1,220.47	21.67	27,469.14	12,428.15	1,333.06	1,876.67	2,216.60	3,436.05	452.57	-	50,654.99
Additions	-	-	1.78	-	16.17	75.12	-	-	11.87	-	104.13
Disposals	134.10	-	347.70	1,285.59	-	118.63	3.94	-	-	-	1,889.96
As at 31 March 2022	1,086.37	21.67	27,323.22	11,142.55	1,349.23	1,833.16	2,212.84	3,436.05	463.64	-	48,868.74
Depreciation											
As at 31 March 2019	-	10.51	26,748.97	10,461.81	1,043.17	1,654.92	2,029.00	3,369.19	412.31	-	45,639.84
During the year	-	10.08	79.18	277.60	196.27	97.16	79.98	73.68	20.56	-	836.52
Disposals/Adjustments	-	-	(466.18)	-	-	(71.04)	-	-	(13.15)	-	(550.37)
As at 31 March 2020	-	20.59	26,361.96	10,729.41	1,261.43	1,681.05	2,108.98	3,342.87	419.72	-	45,926.01
During the year	-	0.27	227.11	261.21	11.13	16.84	1.02	62.24	16.15	-	595.97
Disposals/Adjustments	-	-	(88.41)	(52.63)	(80.15)	(54.08)	-	-	-	-	(195.27)
As at 31 March 2021	-	20.86	26,500.66	10,937.99	1,272.41	1,643.81	2,110.00	3,405.11	435.87	-	46,326.72
During the year	-	0.27	296.39	14.58	13.96	107.49	-	30.85	14.32	-	478.05
Disposals/Adjustments	-	-	(347.85)	(1284.03)	-	(118.45)	(82.17)	-	-	-	(1732.49)
As at 31 March 2022	-	21.13	26,429.21	9,688.55	1,286.37	1,633.06	2,107.83	3,435.96	450.18	-	45,052.29
As at 31 March 2021	1,220.47	0.81	1,148.48	1,490.16	60.65	232.86	104.80	30.94	16.71	-	4,327.87
As at 31 March 2022	1,086.37	0.54	894.01	1,454.01	62.86	200.10	105.01	0.09	13.46	-	3,816.45



Notes forming part of Financial Statements

2.2 Investments

₹ 'Lakhs

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
1) Investment in Equity Instruments				
(i) Subsidiaries				
In Shares of ₹ 10 each, fully paid up (otherwise specified)				
Madhucan Infra Limited	1,22,20,27,045	1,22,202.70	1,22,20,27,045	1,22,202.70
Madurai Tuticorin Expressways Limited	8,85,61,500	8,856.15	8,85,61,500	8,856.15
Nama Hotels Private Limited	2,71,21,200	2,712.12	2,71,21,200	2,712.12
TN (DK) Expressways Limited	1,00,000	10.00	1,00,000	10.00
Trichy Thanjavur Expressways Limited	1,00,000	10.00	1,00,000	10.00
Chhappra Hajipur Expressways Limited	1,00,000	10.00	1,00,000	10.00
Madhucan Toll Highways Limited	30,000	3.00	30,000	3.00
Madhucan Mega Mall Private Limited	20,000	2.00	20,000	2.00
Madhucan Heights Private Limited	20,000	2.00	20,000	2.00
Baramat-Krishnagar Expressways Limited	14,000	1.40	14,000	1.40
Raschi Expressways Limited	14,000	1.40	14,000	1.40
PT Madhucan Indonesia	7,60,000	350.97	7,60,000	350.97
7,60,000 Ordinary Shares of Indonesia Rp10,110				
Madhucan Natural Resources Limited (Singapore)	750	0.21	750	0.21
(ii) Associates:				
In Shares of ₹ 10 each, fully paid up				
Madhucan Properties Limited	20,000	2.00	20,000	2.00
(iii) Others:				
In Shares of ₹ 10 each, fully paid up				
Rajmangalam Gas Power Private Limited	4,88,080	48.81	4,88,080	48.81
Canara Bank Limited	4,100	1.44	4,100	1.44
2) Other Investments *				
Nama Hotels Private Limited	-	3,500.00	-	3,500.00
Madhucan Megamall Private Limited	-	3,500.00	-	3,500.00
PT Madhucan Indonesia	-	3,573.18	-	3,573.18
Madurai Tuticorin Expressways Limited	-	435.00	-	435.00
Chhappra Hajipur Expressways Limited	-	1,616.00	-	1,616.00
Total		1,48,838.38		1,48,838.38

	As at March 31, 2022		As at March 31, 2021	
	Cost	Market Value	Cost	Market Value
Aggregate market value of Quoted Investments	1.44	5.85	1.44	6.24
Aggregate amount of Unquoted Investments	1,48,836.94	-	1,48,836.94	-
Total	1,48,838.38	5.85	1,48,838.38	6.24

(*) The carrying value of investments held includes unsecured loans and advances given by the company to its subsidiaries. Certain subsidiaries have been incurring losses, net worth was fully or substantially eroded. Management of the company is of the view that carrying value of the investments and loans and advances are realizable.

(ii) Madhucan Mega Mall Private Limited (MMMP) is a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land allotted by Andhra Pradesh Housing Board (now known as Telangana Housing Board) ("the Board") at Kakatpally in Hyderabad. The Board issued letter for revoking the power of attorney and resumption of land. The Company got a status quo order from court and the case is pending in the court. Management internal assessment and legal opinion obtained, the management of the Company is awaiting the final approval from the Government for going ahead with the said project and financials are prepared on going concern basis.

(iii) The long term unquoted investments in equity shares of subsidiary companies as given hereunder are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investor companies.

S.No	Name of the Subsidiary	No. of Shares pledged	
		2021-22	2020-21
1	Madurai Tuticorin Expressways Limited	8,85,61,500	8,85,61,500
2	Madhucan Infra Limited	36,44,77,705	36,44,77,705
3	Nama Hotels Private Limited	1,38,41,000	1,38,41,000

2.3 Trade Receivables

₹ 'Lakhs

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current*	Non-Current	Current*
Un Secured, Considered good				
Trade Receivables				
From Related Parties	7,465.49	-	7,445.24	-
From Others	-	1,239.02	418.53	165.54
Total	7,465.49	1,239.02	7,864.07	165.54

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	3-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	428.72	-	-	603.40	6,303.37	7,465.49
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	428.72	-	-	603.40	6,303.37	7,465.49



Notes forming part of Financial Statements

2.4 Loans

₹ 'in Lakhs

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current*	Non-Current	Current*
Unsecured, considered good				
Loans to Related Parties	25,767.64	-	26,426.45	-
Total	25,767.64	-	26,426.45	-

The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realisable at the carrying values in the books of accounts through both these companies have been incurring losses. The closing balance as at March 31, 2022 with respect to Nama Investments Limited and NNR Infra Investments Limited are ₹ 3075.11 Lakhs and ₹ 362.87 Lakhs respectively.

2.5 Other Financial Assets

₹ 'in Lakhs

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current*	Non-Current	Current*
Unsecured, considered good				
Bank Deposits with more than 12 months maturity	578.91	-	568.05	-
Earnest Money Deposits	247.91	25.93	352.91	-
Retention Money Deposit	1,444.66	791.10	2,808.33	1,782.90
Other receivables from Related Parties	1,134.74	3.02	8,671.66	254.58
Security Deposit	204.26	174.52	219.82	130.16
Margin money and other deposits with banks	2,035.35	-	589.93	-
Advances Recoverable	14,376.21	2,848.84	12,299.85	1,894.67
Total	20,023.04	3,843.43	28,410.64	4,062.31

2.6 Deferred Tax Asset / (Liability) (net)

₹ 'in Lakhs

	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset		
Opening Balance	4,438.51	8,421.19
During the year	(1,870.18)	(3,982.68)
Total	2,568.33	4,438.51

2.7 Other Non-Current Assets

₹ 'in Lakhs

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current*	Non-Current	Current*
Advance to suppliers and sub-contractors	14,068.89	6,412.04	15,737.76	6,878.50
Others	5,503.38	-	6,634.80	-
Other Deposits	0.55	0.36	0.61	1.31
Interest Accrued on Deposits	7.59	-	7.59	-
Advance to Related Parties	2,378.32	-	2,991.82	1.56
Total	21,958.73	6,413.00	25,372.54	6,881.46

2.8 Inventories

₹ 'in Lakhs

	As at March 31, 2022	As at March 31, 2021
Raw Materials	382.43	1,316.67
Total	382.43	1,316.67

2.9 Trade Receivables

₹ 'in Lakhs

	As at March 31, 2022	As at March 31, 2021
Un Secured, Considered good		
Trade Receivables		
From Related Parties	-	-
From Others	1,239.02	165.54
Total	1,239.02	165.54

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Un disputed Trade receivables - considered good	1,239.02	-	-	-	-	1,239.02
(ii) Un disputed Trade Receivables - which have significant	-	-	-	-	-	-
(iii) Un disputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	1,239.02	-	-	-	-	1,239.02



Notes forming part of Financial Statements

2.10 Cash and Cash Equivalents

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	4.36	11.33
Balances with Banks		
In Current Accounts	941.54	530.89
Other Deposits	91.11	445.31
Unpaid Dividend Accounts	20.89	23.94
Total	1,057.89	1,011.48

2.11 Other Financial Assets

	₹ in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Retention Money Deposit	791.10	1,782.90
Other receivables from Related Parties	3.02	254.58
Security Deposit	174.52	130.16
Advances Recoverable	2,848.84	1,894.67
Earnest Money Deposits	25.95	-
Total	3,843.43	4,062.31

2.12 Other Current Assets

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Other Deposits	0.36	1.31
Advance to suppliers, sub-contractors and others	6,412.64	6,878.50
Advance to Related Parties	-	1.66
Total	6,413.00	6,881.46

2.13 Equity Share Capital

	₹ in Lakhs			
	Number of Shares	As at March 31, 2022	Number of Shares	As at March 31, 2021
Authorised				
Equity Shares of ₹1 each	30,00,00,000	3,000.00	30,00,00,000	3,000.00
Redeemable Preference Shares of ₹100 each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Total		5,000.00		5,000.00
Issued, Subscribed and Called up Capital				
Equity Shares of ₹1 each	7,42,68,940	742.69	7,42,68,940	742.69
Fully paid up Capital				
Equity Shares of ₹1 each	7,37,94,940	737.95	7,37,94,940	737.95
Add: Forfeited Shares Amount originally paid up	3,37,250	2.37	3,37,250	2.37
Total		740.32		740.32

a) Reconciliation of the Number of Equity Shares Outstanding at beginning and at end of the year

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	7,37,94,940	737.95	7,37,94,940	737.95
Add: Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	7,37,94,940	737.95	7,37,94,940	737.95

b) Terms/ Rights attached to Shares:

The Company has only one class of paid-up equity shares having par value of ₹1 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees only.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by shareholder holding more than 5%

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of share holding	Number of shares held	% of share holding
1) Sri Nana Nagewara Rao	1,07,32,262	14.54	1,07,32,262	14.54
2) M/s Madhucan Granites Limited	80,44,000	10.90	80,44,000	10.90
3) Sri. Nana Chinmatta	61,58,000	8.34	61,58,000	8.34



Notes forming part of Financial Statements

d) Shares held by promoters at the end of the year

S No	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of Shares	% of total shares	
1	NAMA NAGESWAR RAO	1,07,32,262	14.54%	-
2	SEETHAJAH NAMA	23,802	0.03%	-
3	KRISHNAIAH NAMA	4,62,327	0.63%	-
4	UMADEVI NAMA	11,06,928	1.50%	-
5	NAMA CHENNAMMA	61,58,000	8.34%	-
6	PRITHVITEJA NAMA	10,31,500	1.42%	-
7	BHAYYATEJA NAMA	4,67,300	0.63%	-
8	BHUVANESWAR NAMA	67,500	0.09%	-
9	SRINIVASARAO KAMMA	10,31,500	1.40%	-
10	RAMARAO NAMA	5,09,000	0.69%	-
11	TARUN NAMA	30,76,239	4.17%	-
12	NAMA HEMAN	11,06,928	1.50%	-
13	NAMA KUSHIKA	29,88,999	4.05%	-
	Any Other (specify)			
14	MADHUCON GRANTEES LIMITED	80,44,000	10.90%	-
15	NAMA INVESTMENTS LIMITED	36,44,410	4.94%	-
16	NNR INFRA INVESTMENTS PRIVATE LIMITED	7,28,533	0.99%	-
	Total	4,11,98,278	56.09%	-

2.14 Other Equity

	As at March 31, 2022		As at March 31, 2021	
(a) Securities Premium		29,313.07		29,313.07
(b) General Reserve				
Opening Balance	5,061.53		5,061.53	
Add: Transfer from Surplus in Statement of Profit and Loss	-		-	
Closing Balance		5,061.53		5,061.53
(c) Surplus in Statement of Profit and Loss				
Opening Balance	21,582.13		25,264.47	
Add : Profit for the Year	(3,381.33)		(3,682.35)	
Translation Movement	-		-	
Less : Appropriations				
Proposed Dividend	-		-	
Dividend Distribution Tax	-		-	
Transfer to General Reserve	-		-	
Closing Balance		18,200.80		21,582.13
(d) Other Components of Equity				
Remeasurements of the Employee Defined Benefit Plans	67.38		83.57	
Expected credit loss on fair valuation of financial assets	(311.70)		(311.70)	
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method	(140.02)		(140.02)	
		(384.34)		(368.15)
Total (a)-(b)-(c)-(d)		52,191.06		55,588.59

2.15 Borrowings

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current Maturities *	Non-Current	Current Maturities *
Term Loans				
Secured:				
From Banks		67,087.79		68,662.61
Current maturities for Long term debt	-	4,508.69	13.53	4,508.69
Total		71,596.48	13.53	73,171.30



Notes forming part of Financial Statements

Notes for Long Term Borrowings From Banks and Financial Institutions
Term Loans from Financial Institutions:

(i) Secured by hypothecation of various equipments financed through the loan arrangements from Financial Institutions.

Name of the Bank / Financial Institution	No. of Installments Outstanding	Rate of Interest	Outstanding (₹ in Lakhs)	Repayment Terms/Period of Maturity
SREI Equipment Finance Limited	45	12.00%	4,508.69	Monthly Mar 22

2.16 Trade Payables

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current *	Non-Current	Current *
For Supplies and Services: (A) total outstanding dues of micro enterprises and small enterprises; and (B) total outstanding dues of creditors other than microenterprises and small enterprises.	933.41	45,247.33	1,311.24	46,683.55
Retention Money Deposits: (A) total outstanding dues of micro enterprises and small enterprises; and (B) total outstanding dues of creditors other than microenterprises and small enterprises.	3,160.28	5,760.98	3,845.57	7,986.20
Others: (A) total outstanding dues of micro enterprises and small enterprises; and (B) total outstanding dues of creditors other than microenterprises and small enterprises.	3,176.89	7,805.90	7,043.33	8,127.51
Total	7,270.58	58,814.21	12,199.14	62,797.26

With reference to Note No 2.18 & 2.23 the company hasn't received any confirmations about the MSME status of the Trade payables hence no classification made. Confirmation of balances could not be obtained as at 31st March 2020 for Trade Payables, various advances and borrowings though, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	73.09	3,807.09	833.15	2,887.24	7,276.58
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	73.09	3,807.09	833.15	2,887.24	7,276.58

2.17 Other Financial Liabilities

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current *	Non-Current	Current *
Interest Accrued and due on Borrowings	-	1,965.45	-	1,965.45
Unpaid Dividend Accounts	-	20.61	-	23.71
Payable to Related Parties	-	-	236.09	-
Other Payables	73.54	7,739.69	-	9,323.41
Total	73.54	9,725.75	236.09	11,311.57

2.18 Provisions

Provision for Employee Benefits	As at March 31, 2022	As at March 31, 2021
	Gratuity	76.74
Compensated absences	36.72	31.96
Total	113.46	104.67

2.19 Other Non-Current Liabilities

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current *	Non-Current	Current *
Mobilisation Advance	1,302.63	2,784.31	3,247.90	856.57
Machinery Advance	-	314.26	-	314.26
Material Advance	8.72	-	8.72	8.76
Revenue Received in advance	-	370.81	-	141.10
Other Advances from Related Parties	-	29,823.31	-	38,017.77
Total	1,311.35	33,292.69	3,256.62	39,340.46



Notes forming part of Financial Statements

2.20 Borrowings

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
Secured:		
From Banks	67,087.79	68,662.61
Current maturities for Long term debt	4,508.69	4,508.69
Total	71,596.48	68,662.61

Cash Credit/Overdraft facilities availed from banks are secured by:

- a) First pari-passu hypothecation charge to all working capital banks in Multiple Banking Arrangement on all existing and future current assets
- b) Second pari-passu on all the fixed assets of the Company both present and future.

Outstanding balances as on March 31, 2022

	₹ in Lakhs	
Name of the Bank	As at March 31, 2022	As at March 31, 2021
ICICI Bank	25,325.15	25,325.15
State Bank of India	4,690.75	4,690.75
Punjab National Bank	5,241.20	5,193.20
Kotak Mahindra Bank	4,836.26	4,836.26
IDBI Bank	7,835.89	7,835.89
Bank of India	4,213.20	4,213.20
AXIS Bank	8,993.79	10,706.61
Cansara Bank	5,951.56	5,951.56
Total	67,087.79	68,662.61

Company has defaulted in repayment of dues to the banks as at 31st March 2022 and all the outstanding loans were classified as NPA by the banks. The company has not provided the interest for the year ended 31st March 2022 on its loans.

Details of delay in repayment of principal and interest to Banks and Financial Institutions as on March 31, 2022

Name of the Bank / Financial Institution	Principal (₹ in Lakhs)	Period of delay	Interest (₹ in Lakhs)	Period of delay
Bank of India	4,213.20	1358 - 2088 days	-	1358 - 2088 days
IDBI Bank	7,487.70	850 - 1610 days	348.19	850 - 1610 days
Punjab National Bank	4,091.80	486 - 1216 days	249.40	486 - 1216 days
ICICI Bank	21,217.85	973 - 1753 days	4,107.30	973 - 1753 days
Axis Bank Limited	8,958.54	700 - 1065 days	35.25	700 - 1065 days
Cansara Bank	5,758.26	787 - 1152 days	193.00	787 - 1152 days

Since the company has defaulted in repayment of borrowings to banks, these were declared as NPAs by banks. Hence entire borrowings are shown in Current Liabilities.

2.21 Trade Payables

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
For Suppliers and Services -		
(A) total outstanding dues of micro enterprises and small enterprises; and		
(B) total outstanding dues of creditors other than microenterprises and small enterprises.	45,247.33	46,683.55
Retention Money Deposits		
(A) total outstanding dues of micro enterprises and small enterprises; and		
(B) total outstanding dues of creditors other than microenterprises and small enterprises.	5,760.98	7,986.20
Others		
(A) total outstanding dues of micro enterprises and small enterprises; and		
(B) total outstanding dues of creditors other than microenterprises and small enterprises.	7,805.90	8,127.51
Total	58,823.21	62,797.26

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others	9,780.09	13,893.67	2,996.95	32,147.50	58,823.21
(iii) Disputed dues-MSME					
(iv) Disputed dues - Others					
	9,780.09	13,893.67	2,996.95	32,147.50	58,823.21

2.22 Other Financial Liabilities

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Interest Accrued and due on Borrowings	1,965.45	1,965.45
Unpaid Dividend Accounts	20.61	23.71
Other Payables	7,730.69	9,322.41
Total	9,726.75	11,311.67



Notes forming part of Financial Statements
2.23 Other Current Liabilities

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Revenue Received in advance	370.81	141.10
Mobilisation Advance	2,784.31	856.57
Machinery Advance	316.26	316.26
Material Advance	-	8.79
Other Advances from Related Parties	29,822.31	38,017.77
Total	33,293.69	39,340.49

2.24 Provisions

	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity	68.15	22.05
Compensated absences	15.29	16.00
Other Provisions		
Provision for Bad Debts	9,530.26	-
Provision for Others	984.63	909.06
Total	10,898.34	1,007.11

2.25 Revenue from Operations

	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Income from Contracts and Services	60,431.64	61,525.24
Other Operating Income	10,182.21	3,129.81
Total	70,614.85	64,655.05

2.26 Other Income

	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income	113.86	78.60
Miscellaneous Income	1,543.09	6,756.39
Foreign Exchange Gain	-	355.98
Total	1,656.95	7,190.97

2.27 Cost of Materials Consumed and Work Expenses

	Year ended March 31, 2022		Year ended March 31, 2021	
Construction Materials, Stores and spares				
Opening Stock	1,316.67		2,206.28	
Add: Purchases	8,625.78		8,621.33	
Less: Closing Stock	382.43		1,316.67	
Total Consumption		9,760.02		9,510.93
Work Expenses	42,139.31	42,139.31	53,931.11	53,931.11
Total		51,899.33		63,442.04

2.28 Employee Benefits Expense

	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & Wages and Bonus	1,514.82	1,535.28
Contribution to provident and other funds	3.25	3.08
Staff Welfare Expenses	161.09	190.05
Total	1,679.16	1,728.41

2.29 Finance Cost

	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense	417.54	263.72
Total	417.54	263.72



Notes forming part of Financial Statements

2.30 Other Expenses

	(₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Rent	343.83	351.94
Rates & Taxes	62.95	373.62
Travelling Expenses	67.81	48.40
Security Expenses	83.82	46.97
Insurance Charges	70.01	135.57
Consultancy charges	404.39	354.59
Advances written off	3,983.28	53.41
Other Administrative Expenses	263.67	326.10
Foreign Exchange Loss	372.68	
Bad Debts Written off	9,530.26	8,598.04
Bank Guarantee Commission	712.40	583.50
IG Invocation	3,413.78	-
Total	19,208.89	10,872.13

Madhucon Projects Limited

Notes forming part of Financial Statements

2.31 Contingent Liabilities not provided for:

S.No	Particulars	(₹ in Lakhs)	
		As at 31.03.2022	As at 31.03.2021
1	Bank Guarantees**	19,929.38	24,096.32
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	8,526.29	26,000.00
3	Disputed Sales Tax (on appeal)	687.42	687.42
4	Entry Tax	8.85	8.85
5	Service Tax	1,655.75	1,655.55
6	Goods and Service Tax	-	3.28
7	The Company is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable

** on behalf of Subsidiaries and Joint Ventures.

2.32 Remuneration to auditors:

S.No	Particulars	(₹ in Lakhs)	
		2021-22	2020-21
1	Statutory Audit Fee	8.00	8.00
2	Tax Audit Fee	2.00	2.00
3	GST Audit Fee	3.00	3.00

2.33 Segment Reporting:

The Company's operations predominantly consist of construction/project activities. Hence there are no reportable segments under Ind AS 108.



Madhucon Projects Limited
Notes forming part of Financial Statements

2.34 Disclosure in accordance with Ind AS 11 Construction contracts

Particulars	('₹ in Lakhs)	
	2021-22	2020-21
Contract revenue recognised	60,431.64	61,525.24
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for Contracts in progress	3,63,034.86	5,47,512.37
Amount of advances received for contracts in progress	3,238.27	4,348.34
Amount of retention money for contracts in progress	1,058.26	12,237.38
Gross amount due from customers for contracts in progress	1,667.75	8,029.61

2.35 Micro & Small Enterprises: The Management has taken steps to identify the enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2022 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2021 to Micro and Small Enterprises is NIL. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

2.36 Earnings per Share:

	('₹ in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax available for equity shareholders	(3,381.33)	(3,646.70)
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Face Value per Share (₹)	1.00	1.00
Basic and Diluted EPS * (₹)	(4.58)	(4.94)

*The Company has no dilutive instruments. As such Diluted Earnings per share equals to Basic Earnings per share.



Madhucon Projects Limited
Notes forming part of Financial Statements

2.37 Related Party Transactions:

I. Following are the list of related parties

S.No.	Particulars
A.	Subsidiaries
1	Madhucon Infra Limited
2	Madurai - Tuticorin Expressways Limited
B.	Step-down Subsidiaries
3	TN (DK) Expressways Limited
4	Trichy - Thanjavur Expressways Limited
5	Chhapra Hajipur Expressways Limited
6	Barasat-Krishnagar Expressways Limited
7	Ranchi Expressways Limited
8	Madhucon Toll Highways Limited
9	Vijayawada-Machilipatnam Expressways Ltd
10	Rajauli Bakthiyapur Expressways Limited
C.	Associates
11	Madhucon Properties Limited.

(II) Related party transactions during the year as follows

	(₹ in Lakhs)	
	2021-22	2020-21
Revenue from Contracts and Services		
Step-down subsidiaries	2,070.57	2,951.39
Jointly Controlled/entities and ventures	6,177.94	5,100.33
Remuneration		
Key Management Personnel	124.38	81.85
Director Sitting Fee	1.30	1.30
Loans/Advances Given		
Subsidiaries	604.28	2.22
Step-down subsidiaries	(983.97)	1,135.40
Jointly Controlled/entities and ventures	2,251.68	
Loans/Advances Received		
Subsidiaries	-	-
Step-down subsidiaries	2,373.37	329.35
Jointly Controlled/entities and ventures	-	1,352.87
Associates	2,809.84	1,102.48
Enterprises owned or significantly influenced by key management personnel or their relatives	1,273.19	-
Retention Money		
Step-down subsidiaries	-	147.57
Jointly Controlled/entities and ventures	12.41	303.16



Madhucon Projects Limited
Notes forming part of Financial Statements

(III) Related Party balances outstanding at the end of the year as follows

	(₹ in Lakhs)	
	2021-22	2020-21
Trade Receivables		
Subsidiaries	-	531.48
Step-down subsidiaries	7,036.77	9,905.57
Jointly Controlled/entities and ventures	428.72	-
Outstanding Receivables		
Subsidiaries	23,412.91	22,277.15
Step-down subsidiaries	2,214.81	3,427.70
Associates	473.65	3,283.49
Jointly Controlled/entities and ventures	12.41	4,668.00
Key Management Personnel	49.33	55.19
Enterprises owned or significantly influenced by key management personnel or their relatives	3,590.79	4,763.07
Outstanding Payables		
Step-down subsidiaries	14,310.00	36,430.91
Jointly Controlled/entities and ventures	-	1,822.96
Key Management Personnel	0.48	1.60
Enterprises owned or significantly influenced by key management personnel or their relatives	153.02	174.70
Corporate Guarantees		
Subsidiaries	8,526.29	9,976.69
Bank Guarantees		
Step-down subsidiaries	4,335.00	4,335.00
Jointly Controlled/entities and ventures	5,822.85	8,900.00

2.40 Some of the Bank Accounts at closed projects which are in dormant and have not been reconciled due to non-availability of statements.

2.41 Going Concern

In Preparing the financial statements the Board of Directors have considered the operations of the Company as going concern notwithstanding that the Company incurred a net loss of Rs. 3,361.88 Lakhs (Previous Year Rs. 3,682.34 Lakhs) for the financial year ended 31st march 2022, and as at that date, the Company is in net current liabilities position of Rs. 1,85,349.72 Lakhs (Previous year Rs. 1,89,771.58 Lakhs). The Company is also in net liabilities position of Rs. 1,94,118.70 Lakhs (Previous Year : Rs. 2,05,715.01 Lakhs) as at 31st March 2022. In addition as disclosed in Note No. 2.22 to the financial statements the company has defaulted in payments of borrowings to Banks and these were declared as NPA's by banks. As on date the company is in discussions with its lenders for One Time Settlement of their dues.



Madhucon Projects Limited

Notes forming part of Financial Statements

2.42 Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

2.43 Additional Regulatory Information

- i) Title Deeds of all immovable properties are held in the name of the company.
- ii) The Company is not in possession of any Investment property.
- iii) The Company has not revalued any of its Property, Plant and Equipment during the year.
- v) No loans and advances were granted to promoters, directors, KMPs
- vi) There is no capital work-in-progress
- viii) There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ix) The company has borrowings from banks on the basis of security of current assets but those borrowings has been declared as NPAs by the banks and hence there are no returns or statements filed by the company.
- x) The company was not declared as a wilful defaulter by any bank or financial institution.
- xi) The company did not enter into any transactions with struck off companies.
- xii) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period,
- xiii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017,
- xiv) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

xv) Utilisation of Borrowed funds and share premium:

(A) The company didn't advance or lend or invest funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) The company didn't receive any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or



Madhucon Projects Limited
Notes forming part of Financial Statements

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

xvi) The Company has neither declared nor paid any dividend during the year.

xvii) Ratios

S.No	Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
1	Current Ratio	Current assets	Current liabilities	0.090	0.102	12%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.465	3.672	6%
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	20.018	24.840	19%
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(4.541)	(4.974)	9%
5	Trade receivables turnover ratio	Revenue	Average Trade Receivable	10.262	8.070	27%*
6	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	0.814	0.967	16%
7	Net capital turnover ratio	Revenue	Working Capital	(0.428)	(0.422)	2%
8	Inventory Turnover Ratio	Revenue	Average Inventory	83.120	36.705	126%**
9	Net profit ratio	Net Profit	Revenue	(0.047)	(0.051)	9%
10	Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	(0.018)	(0.066)	73%***
	Return on Investment(ROI)					
11	Unquoted	Income generated from investments	Time weighted average investments	NIL	NIL	There was no income from the investments
12	Quoted	Income generated from investments	Time weighted average investments	NIL	NIL	There was no income from the investments



Madhucon Projects Limited
Notes forming part of Financial Statements

Comments:

Trade Receivables Turnover Ratio *

Trade Receivable Ratio has been improved as result of better collection mechanism and also due to improvement in the turnover.

Inventory Turnover Ratio **

Inventory Turnover Ratio is increased as result of better utilization of material and effective management policies

Return on Capital employed ***

Ratio on Capital Employed is improved due to substantial reduction in the loss of the company

xviii) Undisclosed Income

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

xix) Corporate Social Responsibility

Since the company is incurring losses in current year and consecutively for preceding 2 financial years CSR is not applicable

xx) Details of Crypto Currency or Virtual Currency

The company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year

In terms of our report attached

For P.Murali & Co.

Chartered Accountants
FRN : 007257S

For and on behalf of the Board

A.Krishna Rao

Partner
Membership Number 020085

N. Seethaiah
Managing Director
DIN-00784491

Mohammad Shafi
Whole-time Director
DIN-07178265

Place : Hyderabad
Date : May 28, 2022

K. Venkateswariu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



CONSOLIDATED FINANCIAL STATEMENTS

2021-2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Madhucon Projects Limited
Report on the Consolidated Financial Statements

1. Qualified opinion

We have audited the accompanying consolidated financial statements of **MADHUCON PROJECTS LIMITED** (hereinafter referred to as 'the Holding Company'), its subsidiaries and its associate (the Holding Company and its subsidiaries and associate together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

The Consolidated Financial statements includes the following entities

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. TN (DK) Expressways Ltd (audited by other auditors)
- iii. TrichyTanjavur Expressways Ltd (audited by other auditors)
- iv. ChhapraHajipur Expressways Ltd (audited by other auditors)
- v. Barasa Krishnagar Expressways Ltd (audited by other auditors)
- vi. Ranchi expressways Ltd (audited by other auditors)
- vii. Vijayawada-MachilipatnamExpressways Limited (audited by other auditors)
- viii. RajauliBakthiyapur Expressways Limited (audited by other auditors)
- ix. PT Madhucon Indonesia (Unaudited)

**B Associates**

1. Madhucon Properties Limited (This company is not considered for consolidation)

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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

1. We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of investments, loans and advances is required.
2. We refer to the "Madhucon Mega Mall Private Limited (MMMPL)" a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.33 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
3. There are outstanding Loans and advances of Rs 3075.11 Lakhs and Rs 362.87 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.
4. 'The Holding company' is yet to transfer unpaid dividend of an amount aggregating to Rs. 6.62 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
5. "the Holding company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.67,087.79 Lakhs and Rs.4,508.69 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2021-22.
6. There are some delays in depositing undisputed statutory dues by the 'The Holding company' including Provident Fund, , Income-tax, Sales Tax, Goods and Service Tax, , and other statutory dues. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:



S.No.	Name of the Status	Nature of Due	Period	Rs. in Lakhs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	139.93
2	Professional Tax	PT PAYABLE	2011-12 to 2020-21	20.87
3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	95.73
4	Sales Tax	Sales Tax payable	2013-14 to 2021-22	28.55
5	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42
6	Goods and Service Tax	Goods and Service Tax	2021-22	1,467.27
7	The Income Tax Act, 1961	Tax Deducted at Source	2021-22	3.07

7. In view of losses incurred by "the Holding Company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 93.93 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.
8. (a) 'The holding Company' is yet to file final GST Returns for the FY 2021-22 in case of a few states.
(b) The turnover and input credits are subject to reconciliation.
9. In case of 'The Holding company' Internal Audit has not been conducted for the period 01st October 2021 to 31st March 2022.
10. 'The Holding company' has not produced Title Deeds in respect of certain immovable properties (lands) held as Property plant and Equipment.
11. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress.
12. In the absence of confirmations of Trade Payables, Trade Receivables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
13. Madhuconinfra Limited has defaulted in repayment of dues to financial institution amounting to Rs. Rs.16.57 Crores as per books of account. The loan outstanding was classified as NPA by the Financial Institution. Interest on the loan have not been provided for the financial years 2018-19 to 2021-22. Borrowings from financial institution are subject to confirmation and reconciliation.



14. "Madhucon infra Limited (MIL)", has a term loan from ICICI bank whose principal outstanding was 14.82 crores as per OTS agreement against which the bank had approved one-time settlement (OTS) . The settlement amount for all the dues outstanding was Rs. 3.41 crores to be paid within 30days from the date of acceptance, which was accepted and fulfilled by the company as per the terms and the balance outstanding liability (after OTS), was offered under other income.
15. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated February 24th,2020. In terms of settlement, OTS amount of Rs. 70 Crores was to be paid by the company in three instalments. However, the company madetotal payment of 13.5 crores up to 31st March,2022.
16. Madhuconinfra Limited, has made a provision of Rs, 58.66 Crores towards impairment at 5% on investments 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 provision made.
17. Madhucon Infra Limited, balances as at 31 March,2022 in respect of Some subsidiaries are subject to reconciliation.
18. In view of losses incurred by Madhucon Infra Limited and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs 34.51 lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act,2013.

3. Emphasis of Matter

- "the Holding Company" has offered Rs. 3,999.13 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.
- We draw attention to Note 2.41 to the 'The Holding company's' financial statements-

"the Holding company's" current liabilities exceeded current assets and "the Holding company" has defaulted in payment of dues to banks , all these indicate a material uncertainty existing that may cast a significant doubt on "the Holding 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 Holding company" is still appropriate in view of its continuing discussions with its lenders to obtain approval for and implementation of an appropriate debt resolution plan, and "The Holding Company" will continue to be in operation in the foreseeable future.



- Madhucon Heights Private limited subsidiary of 'The Holding company' defaulted in repayment of dues to Banks amounting to Rs 9,047.76 Lakhs. respectively as per books of account. All the loans outstanding were classified as NPA by the Banks. Interest on these loans have not been provided.
- Madhucon Heights Private limited subsidiary of 'The Holding company' The accumulated losses have completely eroded the Net worth of the company. The company has suffered recurring Losses. The accounts of the company have been prepared on the basis of going concern assumption. However, the eroded Net worth will significantly affects the company's ability to continue as a going concern unless it raises capital in order to fund its operations.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements of 'the Holding Company', and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

- The carrying value of investments held in and unsecured loans and advances given by "the Holding company" to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded.
- "The Holding Company" has defaulted in repayment of dues to Banks and financial institutions All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2021-22.
- There are no confirmations of Trade Payables and various advances/loans.
- Title Deeds in respect of certain immovable properties (lands) held by "the Holding Company" were not produced.
- Incase of 'the Holding Company' internal Audit has not been conducted for the period 01st October 2021 to 31st March 2022.
- "The Group's" current liabilities exceeded current assets.

4. Other Matter Paragraph:

- a) We did not audit the financial statements and other financial information of one subsidiary and seven step down subsidiaries included in the statement, whose financial statements together comprise total assets, before elimination, of Rs.4,20,266.08 Lakhs as at March 31, 2022, total Revenue of Rs.32,690.69 Lakhs and total Loss & total Comprehensive loss of Rs. 9760.93 Lakhs for the period 01-04-2021

to 31-03-2022. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.

- b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign step down subsidiary of the Holding company included in the statement, whose financial statements comprise total assets, before elimination, of Rs.9370.09 Lakhs as at March 31, 2022, total Revenue of Rs 0.46 lakhs and total Loss & total Comprehensive loss of Rs. 15.51 Lakhs for the period 01-04-2021 to 31-03-2022. The Financial statements / financial information of this company are unaudited 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.
- c) The Consolidated Financial Results of Madhucon Infra Limited for the year ended 31st March, 2022, does not include the financial statements/financial results of its subsidiary "Simhapuri Energy Limited"(SEL) which has gone into liquidation and The Madhucon Infra Limited has created 100% provision for the investment in "Simhapuri Energy Limited" and in case of " Madhucon Projects Ltd " its entire investment in "Simhapuri Energy Limited" has been written off. .
5. We did not audit the financial statements and other financial information of one subsidiary and seven stepdown subsidiaries. Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

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

Opinion:

Due to termination of the project of the company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project upto 31-3-2022 at Rs. 5,81,79,22,202/- including the Cost and expenses incurred on and for the project for the financial year covered under the audit report instead of writing-off to profit & loss have been accounted as NHAI Claims receivable under the head "Other Current Financial Assets" which is In contravention of the provisions of Indian accounting



standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets and understatement of loss for the year accordingly and Cumulative loss to that extent. Further, no interest has been provided for on the borrowings from institutions.

Subject to above, in our opinion and to the best of our Information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter:

1) We draw attention to note no. 1 in the financial statements 'The construction work is delayed due to pending approvals and right of way to be provided by NHAI. The Company had issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI had also issued notice for terminations of the project vide its letter dated 3rd May, 2016 and the company had replied that the notice is not valid. Both Company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.

2) The borrowings from secured lenders have been declared as Non-performing asset by the lender. Interest on related borrowings have not been provided for.

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

Our opinion is not modified in respect of these matters.

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

Emphasis of Matter:

Project of the Company has been foreclosed with mutual consent, therefore, going concern assumption is not appropriate and financial statements have been drawn accordingly.

As the project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31st March, 2022 Rs.8,15,39,853/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in



contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.8,15,39,853/- and understatement of cumulative loss by the same amount.

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

c) Madurai Tuticorin Expressways Limited (MTEL)

Emphasis of Matter:

MADHURAI-TUTICORIN Expressways Limited (MTEL) has taken loans from different financial institutions. Those loans became NPAs.

Interest on such loans has been provided for till the day of becoming NPAs and to the extent interest has been paid afterwards. Hence, interest has not been recognized for 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.

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

The provision for Periodic maintenance and MMR has not been provided in accordance with the future requirements as estimated and also the amortization of project cost has been provided at lesser amount.

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

Report on Other Legal and Regulatory Requirements

- i. The Company has pending litigation at the Madurai Bench of The Honorable High Court of Madras, Bench made by Bus Owner's Association against Madurai plaza to direct the concessionaire to collect 50% of toll fee. However the Honorable High Court ordered to collect 70% of toll fee from 21.12.2018 onwards till the relevant section of NH-45 B toll highway has been fully relied as per the specifications in the Concession Agreement.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.

d) Chhapra- Hajipur Expressways Limited (CHEL)

Emphasis of Matter:

Chhapra-Hajipur Expressways Limited (CHEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 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 (2.5 years of construction period and 12.5 years of operating period).

This contract was awarded by NHAI. The company shall hand over project to the NHAI on expiry of concession period. The Concession Agreement, on execution, will entitle the company to take a fixed sum of annuity every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. The construction work is under progress.

No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.

The project cost of Rs. 973.14 crores includes Rs. 342.60 crores deferred IND AS adjustments. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

This has reflected in the increase of the Liabilities and an increase in the Project cost represented by NHAI receivables.

e) TrichyThanjavur Expressways Limited (TTEL)

Emphasis of Matter:

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



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

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

The provision for Periodic maintenance and MMR has not been provided in accordance with the future requirements as estimated and also the amortization of project cost has been provided at lesser amount.

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

f) TN (DK) Expressways Limited (TNDK)

Emphasis of Matter:

TN (DK) Expressways Limited (TNDK) has taken loans from different financial institutions. Those loans became NPAs.

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

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

The provision for MMR has not been provided in accordance with the future requirements as estimated and also the amortization of project cost has been provided at lesser amount.

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

The other income includes Rs. 8.90 crores arising from write off by Madhucon Infra Limited. This has resulted in the reduction of outstanding due by the company to Madhucon Infra Limited.



g) Ranchi Expressways Limited (REL)

Emphasis of Matter:

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

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

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2020 without following the termination procedure laid down in the Concession Agreement[as informed by the company]. Since project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE).

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

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the company on 11-6-2022 and the investigation is under progress.

Cost incurred on the project up-to 31st March, 2022 Rs. 13,38,73,49,514/- 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 standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.13,38,73,49,514/- and understatement of cumulative loss by the same amount.



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

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

Our opinion is not modified in respect of these matters.

1. Management's Responsibility for the Consolidated Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

2. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements 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 statements.

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 statements, 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 financial controls relevant to the audit in order to design audit procedures that is 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 management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the statements of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

3. Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the possible effects of the matter described in the basis for Qualified opinion, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) Except for the possible effects of the matter described in the basis for Qualified opinion the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;



- d) Except for the possible effects of the matter described in the basis for Qualified opinion, The aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the pending litigations which would impact its financial position in its notes to financial statements.
 - ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. 'The Holding Company' has not complied with the provisions of section 124(5) of the Companies Act, 2013 regarding the remittance of unpaid dividend of an amount aggregating to Rs. 6.62 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF) within the stipulated period.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by The company or "The Group" to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by The company or "The Group" from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. None of the companies in "The Group" has neither declared nor paid any dividend during the year.

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

**A Krishna Rao
Partner
M.No:020085
UDIN:- 22020085AKQQHC4565**

**Place: Hyderabad
Date: 28-05-2022**



Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our Audit of the Consolidated financial statements of the company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **Madhucon Projects Limited** ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the Assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial



reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, except possible effects of the matter described in the basis for qualified opinion to the consolidated Independent Auditor's Report, reasonable internal financial controls system over financial reporting but not adequate and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of 'the Holding Company', in so far as it relates to separate financial statements of one subsidiary, seven step down subsidiaries, which are companies incorporated in India, is based on the respective reports of the auditors of such subsidiary and step down subsidiaries incorporated in India.

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

**A Krishna Rao
Partner
M.No:020085
UDIN:- 22020085AKQQHC4565**

**Place: Hyderabad
Date: 28-05-2022**



MADHUCON PROJECTS LIMITED
Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	10,267.39	10,622.70
Capital Work-in-Progress	2.1	15,013.41	15,013.41
Intangible Assets	2.1	57,400.81	64,254.46
(i) Intangible Assets under Development		40,002.45	46,333.14
Investment Properties		41.36	41.36
Financial Assets			
Investments	2.2	75,338.03	75,338.03
Trade Receivables	2.3	53.24	451.82
Loans	2.4	1,041.45	1,072.55
Others Financial Assets	2.5	1,09,676.25	74,737.37
Deferred Tax Assets (Net)	2.3	2,568.36	4,438.51
Other Non-Current Assets	2.6	22,276.66	26,423.43
Total Non-Current Assets		3,33,679.41	3,18,726.78
Current Assets			
Inventories	2.7	553.59	1,479.27
Financial Assets			
Investments	2.8	64.78	64.07
Trade Receivables	2.9	1,569.89	447.44
Cash and Cash Equivalents	2.10	9,498.55	6,460.24
Bank Balances other than above	2.11	2,035.35	589.93
Loans	2.12	174.52	130.15
Others Financial Assets	2.13	1,83,502.27	1,85,669.25
Current Tax Asset (Net)		4,300.47	6,202.73
Other Current Assets	2.14	14,965.36	13,692.95
Total Current Assets		2,16,664.78	2,14,736.03
Total Assets		5,50,344.19	5,33,462.82
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.15	740.32	740.32
Other Equity	2.16	(2,10,525.29)	(1,90,160.04)
Less : Profit / (Loss) from Associates		982.39	982.39
Equity Attributable to Shareholders of the Company			(2,08,802.58)
Non-Controlling Interests			(12,211.26)
Total Equity			(2,21,013.84)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.17	2,34,265.00	2,39,123.40
Trade Payables	2.18	7,274.61	12,204.57
Other Financial Liabilities	2.19	1,707.94	1,537.50
Provisions	2.20	38,639.82	33,571.93
Deferred Tax Liabilities (Net)		-	-
Other Non-Current Liabilities	2.21	1,311.35	3,256.62
Total Non-Current Liabilities		2,83,198.72	2,89,694.02
Current Liabilities			
Financial Liabilities			
Borrowings	2.22	1,32,650.65	1,33,918.26
Trade Payables	2.23	59,720.66	63,373.41
Other Financial Liabilities	2.24	72,972.06	70,601.57
Other Current Liabilities	2.25	79,772.30	83,372.10
Provisions	2.26	1,41,729.84	88,530.38
Current Tax Liabilities (Net)		1,313.80	2,145.42
Total Current Liabilities		4,88,159.31	4,41,941.14
Total Equity and Liabilities		5,50,344.19	5,33,462.82

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

For P.Murali & Co.
Chartered Accountants
FRN : 0072578

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085
UDIN: 22020085AKQN13255

N. Seethaiah
Managing Director
DIN 00784491

Mohammed Shafi
Whole-time Director
DIN-07178265

Place : Hyderabad
Date : May 28 2022

K. Venkateswarlu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



MADHUCON PROJECTS LIMITED
Consolidated Statement of Profit and Loss for the Year ended March 31, 2022

(' in Lakhs)

	Note No.	Year ended March 31, 2022		Year ended March 31, 2021	
Revenue					
Revenue from Operations	2.27	94,814.79		90,916.23	
Other Income	2.28	11,745.99		12,484.10	
Total Revenue			1,06,560.78		1,03,400.33
Expenses					
Cost of Materials and Work Expenses	2.29	73,573.07		88,842.92	
Changes in inventory and work-in-progress	2.33	934.24		889.61	
Employee Benefits Expense	2.30	2,920.22		2,792.85	
Finance Costs	2.31	3,137.00		24,570.33	
Depreciation and amortization expense	2.10	14,094.98		12,871.32	
Other Expenses	2.32	23,730.70		1,994.51	
Total Expenses			1,18,390.21		1,31,961.54
Profit before Exceptional and Extraordinary Items and Tax			(11,829.43)		(28,561.21)
Exceptional Items			-		-
Share of (Loss) from Associate Company			982.39		982.39
Profit Before Tax			(10,847.04)		(27,578.82)
Tax Expense					
(i) Current Tax			-	(5,392.23)	
(ii) Adjustment of Tax relating to earlier periods			-	-	
(iii) Deferred Tax		1,870.14		3,982.68	
			1,870.14		(1,409.55)
(Loss) / Profit for the Year			(12,717.18)		(26,169.27)
Attributable to					
Shareholders of the Company			(10,634.51)		(23,339.24)
Non-Controlling Interests			(2,082.68)		(2,830.05)
Other Comprehensive Income					
(a) Re-Classification of Employee Defined Benefit Obligation			19.45		(35.66)
(b) Exchange differences on translation			-		-
(c) Amount Not Reclassifiable to P&L			(1.96)		
Other Comprehensive Income for the Year			17.49		(35.66)
Total Comprehensive (Loss) / Income for the year			(12,699.69)		(26,204.93)
Attributable to					
Shareholders of the Company			(10,617.03)		(23,374.90)
Non-Controlling Interests			(2,082.68)		(2,830.07)
Shareholders of the Company			17.48		(35.66)
Non-Controlling Interests			-		-
Total Comprehensive Income			(10,617.03)		(23,374.90)
Earnings per share of Face Value of ₹ 10/- each					
Basic and Diluted			(14.41)		(31.63)

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

For P.Murali & Co.
Chartered Accountants
FRN : 0072578

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085
UDIN: 22020085AKQNJ3255

N. Seethalak
Managing Director
DIN 00784491

Mohammed Shafi
Whole-time Director
DIN-07178265

Place : Hyderabad
Date : May 28 2022

K. Venkateswari
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



Madhucan Projects Limited
Statement of Changes in Equity for the Year ended March 31, 2022
a) Equity Share Capital
 (Equity Shares of Rs.1/- each 7,37,94,940 shares)

1) Current Reporting Period					(₹ in Lakhs)
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period	
740.32	-	-	-	740.32	

2) Previous Reporting Period					(₹ in Lakhs)
Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period	
740.32	-	-	-	740.32	

b) Other equity

1) Current Reporting Period										(₹ in Lakhs)
	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	Reserves on Consolidation	Other items of other comprehensive income (specify nature)		
Balance at the beginning of reporting period	-	-	-	29,313.07	5,061.53	(2,25,325.31)	41.21	(568.15)	-	(1,99,577.65)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(19,168.03)	-	-	-	(19,168.03)
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-	-	-	(16.03)	-	(16.03)
Adjustments on account of Consolidation	-	-	-	-	-	-	-	(1,381.03)	-	(1,381.03)
Balance at the end of the year	-	-	-	29,313.07	5,061.53	(2,44,493.34)	(1,339.82)	(584.18)	-	(2,09,943.71)

2) Previous Reporting Period										(₹ in Lakhs)
	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	Reserves on Consolidation	Other items of other comprehensive income (specify nature)		
Balance at the beginning of Previous reporting period	-	-	-	29,313.07	5,061.53	(1,95,701.85)	(2,627.94)	681.39	-	(1,63,275.80)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year	-	-	-	-	-	66,986.15	-	(229.54)	-	66,756.61
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-	-	-	-	-	-
Adjustments on account of Consolidation	-	-	-	-	-	-	-	(21,986.76)	-	(21,986.76)
Profit From Associate	-	-	-	-	-	982.39	-	-	-	982.39
Balance at the end of the Previous year	-	-	-	29,313.07	5,061.53	(1,28,715.70)	42.21	(568.15)	-	(1,09,177.62)

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

For P.Mansil & Co.
 Chartered Accountants
 PIN : 0072575

For and on behalf of the Board

A.Krishna Rao
 Partner
 Membership Number 020085

K. Seethalakshmi
 Managing Director
 DIN-00784491

Mohammad Shafi
 Whole-time Director
 DIN-07178265

Place : Hyderabad
 Date : May 28 2022

K. Venkateswarthi
 Chief Financial Officer

D. Malli Reddy
 Company Secretary
 ACS: 9559



Madhucon Projects Limited
Consolidated Cash Flow Statements for the Year ended March 31, 2022

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
(Loss) / Profit before tax	(10,847.04)	(27,578.83)
Adjustments for:		
Depreciation and amortisation expense	14,094.98	12,871.32
Dividend Income	(0.77)	(0.74)
Interest Income	(129.46)	(105.64)
Impairment	-	-
Finance costs	3,137.00	24,570.33
	17,101.75	37,335.27
Operating Profit Before Working Capital Changes	6,254.70	9,756.44
Change in Working Capital		
(Increase)/decrease in Trade Receivables	(723.88)	10,801.76
(Increase)/decrease in Inventories	925.68	1,455.93
(Increase)/decrease in Other Financial Assets	(32,782.76)	(85,081.30)
(Increase)/decrease in Other Current and Non-Current Assets	4,776.62	6,584.26
Increase/(decrease) in Loans	(13.26)	4,847.95
Increase/(decrease) in Trade Payables	(8,582.71)	16,329.09
Increase/(decrease) in Other Financial Liabilities	2,681.63	(2,018.79)
Increase/(decrease) in Other Current and Non-Current Liabilities	42,360.39	(8,523.52)
Cash generated from operations	14,896.42	(45,848.18)
Income taxes paid	(9,530.26)	(5,392.23)
Net cash from operating activities	24,426.68	(40,455.95)
B Cash flows from investing activities		
Purchase of Property, Plant and Equipment including CWIP	(555.33)	(10,417.57)
Change in Capital Reserve and others	(13,912.09)	(7,194.41)
Purchase of Investments	-	-
Due to Derecognition of Simhapuri	-	1,01,474.32
(Increase) / decrease in other bank balances	(1,456.29)	(25.49)
Dividend Received	0.77	0.73
Interest Received	129.46	105.64
Net cash used in investing activities	(15,793.48)	83,943.23
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	(1,190.30)	66,921.97
Proceeds from short term borrowings (net)	(1,267.61)	(87,469.53)
Interest paid	(3,137.00)	(24,570.33)
Net cash used in financing activities	(5,594.91)	(45,117.89)
Net increase/(decrease) in cash and cash equivalents	3,038.30	(1,630.60)
Cash and cash equivalents at the beginning of the financial year	6,460.25	8,090.85
Cash and cash equivalents at end of the year	9,498.55	6,460.24
Reconciliation of cash and cash equivalents as per with the Balance Sheet	9,498.55	6,460.24
Cash and Cash Equivalents end of the Year	9,498.55	6,460.24

The accompanying notes are an integral part of the consolidated financial statements.

For P.Murali & Co.
Chartered Accountants
FRN : 0072578

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085
UDIN: 22020085AKQNJ13255

N. Seethaiah
Managing Director
DIN-00784491

Mohammad Shafi
Whole-time Director
DIN-07178265

Hyderabad
Date : May 28 2022

K. Venkateswarlu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559



Madhucon Projects Limited

Notes forming part of Consolidated Financial Statements

Significant accounting policies:

1.1 Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

1.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair value in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of fair values:

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1.3 Presentation of financial statements

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Consolidated statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.



Madhucon Projects Limited

Notes forming part of Consolidated Financial Statements

Basis of consolidation:

The consolidated financial statements of the group comprise the financial statements of the Madhucon Projects Limited ("Parent Company") and its subsidiaries and associates ("the group") as at 31st March 2022.

Subsidiaries:

Entity which is directly or indirectly controlled by Parent Company is treated as subsidiary. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Parent Company starts consolidation of a subsidiary when it obtains control over the subsidiary (directly or indirectly) and ceases when it loses control (directly or indirectly) of the subsidiary.

Associates:

Associates are all entities over which the Parent Company has significant influence but has no control. This is generally the case where the Parent Company directly or indirectly holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Consolidation procedure:

- (a) The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.
- (b) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.
- (c) The consolidated financial statements of the Group combines the financial statements of Parent Company and its subsidiaries on line by line basis by adding together the like items of assets, liabilities, equity, income and expenses.
- (d) Unrealised profits/losses on intra-group transactions, Intra-group assets, liabilities, income and expenses are eliminated in consolidation. Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated in consolidation.
- (e) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (f) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned directly or indirectly by Parent Company.

1.4 Cash flow statement:

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported



using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- i. Changes during the period in inventories and operating receivables and payables and transactions of a non-cash nature;
- ii. Non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. All other items for which the cash effects are investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Group is segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

1.5 Use of Accounting Estimates:

The preparation of the consolidated financial statements requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

1.6 Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition including any directly attributable expenditure on making the asset ready for its intended use, attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

1.7 Non - current assets held for sale and discontinued operations:

Non - current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non - current assets and disposal groups are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit / loss after tax from discontinued operations in the statement of profit and loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the balance sheet.



A disposal group qualifies as discontinued operation if it is a component of the Group that either has been disposed off, or is classified as held for sale, and:

- ❖ Represents a separate major line of business or geographical area of operations,
- ❖ Is part of a single co-ordinate plan to dispose of a separate major line of business or geographical area of operations, or
- ❖ Is a subsidiary acquired exclusively with a view to resale.

An entity shall not depreciate (or amortise) a non – current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

1.8 Intangible Assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

1.9 Rights under Service Concession Arrangements

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

1.10 Toll Projects (Right to charge users):

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue from the users of the public service (road) during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Group. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities is reduced from the carrying amount intangible assets to the extent of actual receipts.

Extension of concession period by the authority in compensation of claims made are capitalised as part of Toll Collection Rights at the time of admission of the claim or when there is a contractual right to extension at the estimated amount of claims admitted or computed based on average collections whichever is more evident.

Any Viability Gap Funding (VGF) in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipts.



Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets that are not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

1.11 Depreciation/ Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.

Depreciation on Property, Plant and equipment has been provided on Straight-Line method in accordance with the Schedule II of the Companies Act, 2013, based on the useful life estimated on the technical assessment as in force and proportionate depreciation are charged for additions/deletions during the year. In respect of additions / deletions to the fixed assets / leasehold improvements, depreciation is charged from the date the asset is ready to use / up to the date of deletion. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

1.12 Impairment of Assets:

At the end of each accounting year, the Group reviews the carrying amounts of Intangible assets and property, plant and equipment whether there is any indication that those assets have suffered an impairment loss.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined at the higher of the fair value less cost to sell and the value in use in case of an individual asset and at higher of the cash generating unit's (CGU) net selling price and the value in use.

Impairment loss is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset or CGU is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.13 Financial instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**a. Financial Assets**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Measured at Fair Value

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the Group has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income. In any other case, financial asset is fair valued through profit and loss.

Impairment of Financial Assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or loss.

De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset and the transfer qualifies for derecognition under IND AS 109. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**b. Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

1.14 Investment property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal.

Any gain or loss arising on de-recognition of the property is included in profit or loss in the period in which the property is derecognised.

1.15 Inventories:**Raw Materials:**

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realizable value, whichever is lower. Cost includes all charges



in bringing the materials to the place of usage, excluding refundable duties and taxes.

Work in Progress:

Work-in-Progress is valued at the contracted rates less profit margin / estimates.

1.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.17 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as un-allocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

1.18 Provisions, Contingent Liabilities and Contingent Assets:

The Group recognises provisions when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed in the financial statements when flow of economic benefit is probable.

1.19 Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
- 3 its revenue from the sale of its share arising from the joint operation,
4. its share of the revenue from the joint operations, and
5. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

**1.20 Revenue from Sale of goods:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from Rendering of services:

Revenue from sale of services is recognized as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage of completion method requires Group to estimate the services performed to date as a proportion of the total services to be performed.

Revenue from Toll & Annuity projects:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

Revenue from construction contracts:

Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

1. **Cost plus contracts:** Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period and the margin as agreed with the customer.
2. **Fixed price contracts:** Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i. the amount of revenue can be measured reliably;
- ii. it is probable that the economic benefits associated with the contract will flow to the Group;
- iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.



For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

1.21 Other income:

a) Interest Income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Lease Income: Lease agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operation leases. Lease rentals are recognized on straight - line basis as per the terms of the agreements in the statements of profit and loss.

1.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.23 Claims

Claims against the Group not acknowledged as debts are disclosed under contingent liabilities. Claims made by the Group are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

1.24 Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for
- b) Uncalled liability on shares and other investments partly paid
- c) Funding related commitment to subsidiary, associate and joint venture companies and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.25 Foreign exchange translation and foreign currency transactions:

The functional currency and presentation currency of the Group is the Indian rupee.

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.



Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.

The exchange difference on restatement of long term receivables / payables from / to foreign operations that are considered as net investments in such operation are recognised in the statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.

1.26 Employee Benefits:

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

1.27 Borrowing Costs:

Borrowing costs include interest expense calculated using the effective interest method and finance charges in respect of assets acquired on finance lease.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.28 Taxation

Income tax expense represents sum of the tax currently payable and deferred tax

Current Tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Minimum Alternate Tax (MAT):**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

1.29 Leases:

The Group's leasing arrangements are mainly in respect of operating leases for premises and construction equipment.

These leasing arrangements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on agreed terms. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

1.30 Fair value measurement

The Group measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.31 Earnings per Share:

Basic earnings per equity share are computed by dividing the net profit or loss for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.



Madhuccon Projects Limited
Notes forming part of the Consolidated Financial Statements
2.1 Property, Plant, Equipment and Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Leasing Materials	Temporary Structures	Furniture & Fixtures	Office Equipment	Computers	Total	Capital Work-in-Progress*	Software	Carriage Way	Total
Cost															
As at 1 April, 2020	6,606.71	62.27	39,325.21	12,472.87	3,222.03	3,210.80	3,437.85	1,411.79	76.30	803.73	55,500.30	15,000.00	8.38	1,66,409.86	2,37,706.34
Additions	-	-	652.97	7.36	42.92	-	0.18	6.78	30.21	20.72	917.66	-	2.91	-	916.67
Depreciate / adjustments	-	0.85	(3,117.94)	(32.62)	(54.10)	-	-	(6.33)	(0.01)	(3.85)	(3,227.87)	(76.36)	-	-	(3,274.38)
As at 31.03.2021	6,606.71	63.12	36,859.24	12,447.61	3,209.83	3,210.80	3,438.03	1,405.16	106.28	826.61	54,279.19	14,923.64	20.29	1,66,409.86	2,34,431.96
Additions	-	-	192.51	-	132.81	-	-	16.67	11.81	21.27	363.27	-	1.40	-	364.97
Depreciate / adjustments	(134.32)	0.85	(248.87)	(2,285.26)	(122.46)	(3.96)	-	-	-	(0.12)	(2,489.23)	-	-	-	(2,619.23)
As at 31.03.2022	6,472.39	63.97	36,802.90	11,162.35	3,240.18	3,213.84	3,438.03	1,421.83	117.28	847.66	52,789.95	14,913.64	12.29	1,66,409.86	2,31,820.07
Depreciation															
As at 1 April 2020	-	27.66	33,234.51	10,759.41	1,829.41	1,108.66	3,244.85	1,325.60	31.29	473.84	43,156.49	-	6.28	55,284.31	98,441.08
Depreciate	-	0.57	292.84	261.21	37.39	1.02	62.24	13.67	12.27	23.63	694.89	-	0.85	12,371.58	13,071.32
Depreciate / Adjustments	-	-	(98.41)	(32.02)	(54.06)	-	-	(6.15)	(0.25)	(1.97)	(156.89)	-	(5.00)	(11,613.70)	(11,812.78)
As at 31.03.2021	-	28.23	33,528.94	10,827.60	1,832.74	1,109.66	3,407.09	1,329.52	44.51	494.50	43,686.49	-	7.04	55,826.11	96,628.54
Depreciate	-	0.57	341.41	14.54	132.09	-	30.85	17.24	8.50	23.23	566.68	-	0.51	14,522.28	14,661.88
Depreciate	-	0.50	(153.26)	(1,264.22)	(113.26)	(2.17)	-	(8.24)	(0.02)	(0.11)	(1,374.04)	-	1.80	(13,820.57)	(15,195.11)
As at 31.03.2022	-	29.27	33,716.89	9,603.92	1,849.57	1,107.49	3,437.94	1,306.32	56.81	517.64	43,981.12	-	9.35	69,000.94	1,11,826.81
Net Book															
As at 31. March 2021	6,606.71	24.87	1,797.26	1,490.16	288.22	106.80	30.94	79.33	64.41	32.09	10,023.79	14,913.41	3.89	1,10,583.79	1,26,523.71
As at 31. March 2022	6,337.61	24.20	1,825.29	1,424.02	296.32	109.91	0.09	69.79	44.93	30.23	10,207.39	14,913.41	2.94	97,400.39	1,23,634.06

CWIP aging schedule*

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 2 years	
As at 31.03.2020	-	-	15,000.00	15,000.00
As at 31.03.2021	-	-	15,000.00	15,000.00
As at 31.03.2022	-	-	15,000.00	15,000.00

**Madhucon Projects Limited**

Notes forming part of the consolidated financial statements

2.2 Investments

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
1) Investment in Equity Instruments		
(i) Subsidiaries:		
In Shares of ₹10 each, fully paid up (otherwise specified)		
Simhapuri Energy Limited	74,300.06	74,300.06
Madhucon Natural Resources Limited (Singapore) Shares of S\$ 1/- each	0.21	0.21
Others-Subsidiary Companies*		
(ii) Associates:		
In Shares of ₹10 each, fully paid up (otherwise specified)		
Madhucon Agra Jaipur Expressways Limited	3.12	3.12
Madhucon Properties Limited	984.39	984.39
Others-Associate Companies*	-	-
(iii) Others:		
In Shares of ₹10 each, fully paid up (otherwise specified)		
Rajanagaram Gas Power Private Limited	48.81	48.81
Canara Bank Limited	1.44	1.44
Total	75,338.03	75,338.03

2.3 Trade Receivables

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
	Non-Current	Non-Current
Un Secured, Considered good		
- From Related Parties	53.24	32.99
From Others	-	418.83
Total	53.24	451.82

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	53.24	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
	53.24	-	-	-	-

2.4 Loans

	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Loans to Related Parties				
Security Deposits	778.91	174.52	751.14	130.15
Others	262.54	-	321.41	-
Total	1,041.45	174.52	1,072.55	130.15

2.5 Other Financial Assets

	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Bank Deposits with maturity more than 12 months	578.91	-	568.05	-
Earnest Money Deposits	247.91	-	252.91	-
Retention Money Deposit	3,603.28	-	2,808.33	-
Receivable under service concession arrangements	97,832.19	-	56,222.06	-
Advances Recoverable	7,413.96	-	12,570.06	-
Receivable From Others	-	3,690.32	2,315.96	2,710.19
Receivable From NHAI	-	4,309.65	-	4,383.52
Claims Receivable from NHAI	-	1,74,508.49	-	1,75,567.46
Retention Money Deposit	-	199.70	-	1,958.12
Total	1,09,676.25	1,82,708.16	74,737.37	1,84,619.29

Madhucon Infra Limited

Notes forming part of the consolidated financial statements



2.6 Other Non-Current Assets	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Capital Advances	38.55	-	938.55	-
Advance to suppliers and sub-contractors	14,068.89	426.05	15,737.76	551.90
Others	8,169.22	-	9,747.12	-
Prepaid Expenses	-	10.34	-	14.19
Prepaid Insurance	-	8.04	-	76.62
Interest Accrued on Deposits	-	-	-	-
Statutory Dues Receivable	-	611.63	-	647.27
Advances to related parties	-	2,284.73	-	5,532.22
Advances other than Capital Advances	-	11,624.57	-	6,870.75
Total	22,276.66	14,965.36	26,423.43	13,692.95

2.7 Inventories	As at	
	March 31, 2022	March 31, 2021
Raw Materials	553.59	1,479.27
Work-in-Progress	-	-
Total	553.59	1,479.27

2.8 Investments	As at	
	March 31, 2022	March 31, 2021
In Immovable Properties	40.20	40.20
In Mutual Funds	24.58	23.87
Total	64.78	64.07

2.9 Trade Receivables	As at	
	March 31, 2022	March 31, 2021
Un Secured, Considered good	-	-
- From Related Parties	-	-
From Others	1,569.89	447.44
Total	1,569.89	447.44

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	1569.89	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	1569.89	-	-	-	-

2.10 Cash and Cash Equivalents	As at	
	March 31, 2022	March 31, 2021
Cash on hand	659.41	177.20
Balances with Banks		
In Current Accounts	8,179.45	5,281.70
In Deposit Accounts with Maturity less than 3 months	638.80	977.40
Unpaid Dividend Accounts	20.89	23.94
Total	9,498.55	6,460.24

2.11 Bank Balance other than above	As at	
	March 31, 2022	March 31, 2021
Margin money and other deposits with banks	2,035.35	589.93
Total	2,035.35	589.93

Madhucon Projects Limited

Notes forming part of the financial statements

2.12 Loans	As at	
	March 31, 2022	March 31, 2021
Unsecured, considered good	-	-
Security Deposit	174.52	130.15
Total	174.52	130.15

**2.13 Other Financial Assets**

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Receivable From Others	3,690.32	2,710.19
Receivable From NHAI	4,309.65	4,383.53
Other receivables from related parties	794.11	1,049.96
Claims Receivable from NHAI	1,74,508.49	1,75,567.46
Retention Money Deposit	199.70	1,958.12
Total	1,83,502.27	1,85,669.25

2.14 Other Current Assets

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	10.34	14.19
Prepaid Insurance	8.04	76.62
Interest Accrued on Deposits	-	-
Advance to suppliers, sub-contractors and others	426.05	551.90
Statutory Dues Receivable	611.63	647.27
Advances to related parties	2,284.73	5,532.22
Advances other than Capital Advances	11,624.57	6,870.75
Total	14,965.36	13,692.95

Madhucon Projects Limited

Notes forming part of the consolidated financial statements

2.15 Equity Share Capital

	Number of Shares	(₹ in Lakhs)		
		As at March 31, 2022	Number of Shares	As at March 31, 2021
Authorised				
Equity Shares of ₹10/- each	4,50,00,00,000	4,50,000.00	4,50,000,000	4,50,000.00
Total		4,50,000.00		4,50,000.00
Issued, Subscribed and Called up Capital				
Equity Shares of ₹10/- each		-	-	-
Fully paid up Capital				
Equity Shares of Rs. 1/- each			7,37,94,940	
Equity Shares of ₹10/- each		737.95	Equity Shares	737.95
Add : Forfeited Shares Amount originally paid up		2.37		2.37
Total		740.32		740.32

a) Reconciliation of the Number of Equity Shares Outstanding at beginning and at end of the year

	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,28,77,77,045	1,28,777.70	1,28,777,045	1,28,777.70
Add: Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	1,28,77,77,045	1,28,777.70	1,28,777,045	1,28,777.70

b) Terms/ Rights attached to Shares:

The Company has only one class of paid-up equity shares having par value of ₹ 10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Bonus Shares/ Buy back shares for consideration other than cash issued during the past five years:

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

Notes forming part of the financial statements



2.16 Other Equity

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Securities Premium		29,313.07
(b) Capital Reserve		
Less: Capital Grant Defferment		
(b) General Reserve		
Opening Balance	5,061.53	5,061.53
Add: Additions during the year	-	-
Closing Balance	5,061.53	5,061.53
(c) Surplus in Statement of Profit and Loss		
Opening Balance	(2,24,207.70)	(2,90,703.85)
Add: Profit for the Year	(11,673.29)	(32,985.94)
Add: Capital Grant Defferment	(2,005.12)	(2,005.12)
Correction in Profit and Loss	(5,489.62)	1,01,487.21
Less: Appropriations		
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Transfer to Reserves	-	-
Closing Balance	(2,43,375.73)	(2,24,207.70)
Other Components of Equity		
Remeasurements of the defined benefit plans and others	(244.32)	83.57
Exchange differences in translating the financial	(140.02)	(311.70)
Increase/(Decrease) in borrowing cost pursuant to	-	(140.02)
application of Effective Interest rate method		
	(384.34)	(368.15)
(d) Reserves on Consolidation		3,881.21
Equity Component of Unsecured Loan	(3,821.34)	(3,821.34)
		(3,810.00)
Total		(2,10,525.29)
		(1,90,160.04)

2.17 Borrowings

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured:		
Debentures	-	-
Term Loans		
From Banks	2,06,953.60	2,13,038.19
From Others	26,168.82	24,929.10
Funded Interest Term Loan		
From Banks	-	-
From Financial Institutions	-	-
	68.37	68.37
Unsecured:		
Loans from related parties	788.31	-
From Financial Institutions	285.90	1,087.74
Total	2,34,265.00	2,39,123.40



Madhucon Infra Limited

Notes forming part of the consolidated financial statements

(i) Madhucon Infra Limited

1) Total amount payable as at 31.03.2022 to IFCI was Rs. 1,77,46,40,982.89 as per books of accounts. The company has submitted One time settlement proposal with IFCI and it was agreed to accept Rs.70 Cr towards full and final settlement. The company has paid Rs.10.50 Cr and it was adjusted towards principle amount. The company has requested time to revise the OTS amount. The proposal is under process.

i) The company has submitted one time settlement proposal with ICICI .

ii) No Interest has been provided on the amounts payable to ICICI & IFCI for the current FY 2021-22

(ii) Chhapra - Hajipur Expressways Limited

As on 31.03.2021, an amount of Rs 216.57 Crores has been reclassified as long term borrowing which is hitherto classified as other equity

Consequential prior year grouping have been changed.

i) Term loan from banks - The loan is repayable in 17 semiannual unequal instalments starting from June 2022

ii) NHAI Loan - The loan is repayable at the time of receipt of semi annualities after PCOD.

iii) Unsecured Loan - Repayment shall be made only after the Final Settlement date, on which all the Secured Obligations have been discharged

Terms of Security of secured term.

Indian Rupee Term Loans Consists of Loans borrowed from a consortium of 05 bankers & from NHAI as per common loan agreement dated 03-12-2010 for an amount of Rs.585 crores, and further enhanced loan facility agreement dated on 30-01-2016 for an amount of Rs.176.83 crores, further enhanced loan facility agreement dated on 09-01-2018 for an amount of Rs.171.99 crores and from NHAI as per tripartite agreement dated on 21-10-2016. During the year the company has not provided the interest on to the term loans due to term loans became NPA. And interest has been provided for loan from NHAI.

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 03-12-2010 and enhanced loan facility agreement dated 30-01-2016 and 09-01-2018.

(iii) Ranchi Expressways Limited

Terms of Security of Secured Term Loans

Indian Rupee Term Loans Consists of Loans borrowed from a consortium of 13 bankers & one financial institution as per common loan agreement dated 31-10-2011. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 28-03-2017.

Interest is not provided during the financial year due to the Term Loans became NPA

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 31-10-2011 and amendment to common loan agreement dated 28-03-2017

Terms of Repayment - Un Secured Loan from Related Parties

The unsecured loans are provided by the promoters of the company as per common loan agreement with Senior Lenders by way of Sub-

(iv) TN (DK) Expressways Limited

Terms of Repayment of Secured Loan:

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 4 banks as per common loan agreement dated 11.10.2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 30.03.2013. During the company has not provided interest.

Terms of Security:

The company has executed loan documents and created security as per common loan agreement dated 11.10.2006 and master restructure agreement dated 30.03.2013.

Terms of Repayment of Unsecured Loans:

The unsecured loans are provided by the promoters of the company as per common loan agreement with senior lenders by way of subordinate loan. Such sub-ordinate loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

(v) Madurai-Tuticorin Expressways Limited

Terms of Repayment - Secured Loans

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution as per common loan agreement dated 13.01.2007 . The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 28.03.2013. During the year the company has closed one Term Loan Account , which was availed from SBI. The company has not provided interest

Terms of Security

The company has executed loan documents and created security as per common loan agreement dated 13.01.2007 and master restructure agreement dated 28.03.2013

Terms of Repayment - Unsecured Loan - from related parties

The unsecured loans are provided by the promoters of the company as per the common loan agreement with Senior Lenders by way of Sub-ordinate loan. Such Sub-Ordinate loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders

(vi) Trichy-Thandavur Expressways Limited

Terms of Repayment - Secured Loans

Indian rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution as per common loan agreement dated 02.12.2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 28.03.2013. During the year the company has closed one term Loan account , which was availed from SBI. The company has not provided interest.

Terms of Security

The company has executed loan documents and created security as per common loan agreement dated 02.12.2006 and master restructure agreement dated 28.03.2013.

Terms of Repayment- Unsecured Loan - from related parties

The unsecured loans are provided by the promoters of the company as per the common loan agreement with senior lenders by way of sub-ordinate loan. Such sub-ordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

Terms of Repayment- Unsecured Loan - from others

The company has availed loan from M/s innovations Payment Services Limited and the amount was utilised for closing the term loan account availed from SBI.

(vii) Barasat-Krishnagar Expressways Limited**Terms of Repayment - Secured Loan**

Indian Rupee Loans Consists of Loans borrowed from a consortium of 7 bankers & one financial institution as per common loan agreement dated 26-09-2011. The entire outstanding debt as per common loan agreement was amended and the loan amount was payable as per master agreement dated 24-06-2015. During the year the company has not closed the any term loan account. the company has not provided the interest during the financial year.

Interest is not provided during the financial year due to the term loans became NPA.

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 26-09-2011 and master agreement amended on dated 24-06-2015.

Terms of Repayment - Un Secured Loan from Related Parties

The unsecured loans are provided by the promoters of the company as per common loan agreement with Senior Lenders by way of Sub-ordinate loan such sub-Ordinate loans interest and principle repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

2.18 Trade Payables

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
	Non-Current	Non-Current
For supply and Services	937.44	1,316.67
Retention Money Deposits	3,160.28	3,845.57
Others	3,176.89	7,042.33
Total	7,274.61	12,204.57

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	77.12	3,807.09	533.15	2,887.24	7,274.61
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	77.12	3,807.09	533.15	2,887.24	7,274.61

2.19 Other Financial Liabilities

	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long Term Borrowings	-	50,885.09	-	51,026.99
Interest Accrued and due on Borrowings	-	5,673.18	-	5,673.18
Interest accrued but not due	-	1,965.45	-	1,965.45
Trade Payables	-	1,511.81	-	1,545.74
Other Payables	1,707.94	12,915.92	1,537.50	10,366.50
Unpaid Dividends	-	20.61	-	23.71
Total	1,707.94	72,972.06	1,537.50	70,601.87

2.20 Provisions

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity	11,476.60	10,535.07
Compensated absences	52.64	46.32
Provision for Major Maintenance and Repairs	27,110.58	22,990.54
Total	38,639.82	33,571.93

2.21 Other Non-Current Liabilities

	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	1,302.63	26,194.44	3,247.90	856.57
Material Advance	8.72	-	8.72	8.76
Machinery Advance	-	316.26	-	316.26
Statutory Dues Payable	-	3,299.38	-	3,578.86
Other Liabilities	-	49,591.41	-	45,759.89
Revenue Received in Advances	-	370.81	-	141.10
Other advances from related parties	-	-	-	32,710.66
Total	1,311.35	79,772.30	3,256.62	83,372.10

2.22 Borrowings

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Secured:		
Loans repayable on demand		
From Banks	1,19,886.99	1,21,729.39
From Others	12,763.66	12,188.87
Total	1,32,650.65	1,33,918.26

2.23 Trade Payables

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
For Supplies and Services	45,247.33	46,683.55
Due to Other Payables	8,039.30	8,330.95
Related Parties	664.05	372.70
Retention Money Deposits	5,769.98	7,986.20
Others	-	-
Total	59,720.66	63,373.40

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME			-	-	-
(ii) Others	10,682.54	13,893.67	2,996.95	32,147.50	59,720.66
(iii) Disputed dues-MSME			-	-	-
(iv) Disputed dues - Others			-	-	-
	10,682.54	13,893.67	2,996.95	32,147.50	59,720.66

2.24 Other Financial Liabilities

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current Maturities of Long Term Borrowings	50,885.09	51,026.99
Interest Accrued and due on Borrowings	5,673.18	5,673.18
Interest accrued but not due	1,965.45	1,965.45
Trade Payables	1,511.81	1,545.74
Other Payables	12,915.92	10,366.50
Payables to Related Parties	-	-
Unpaid Dividends	20.61	23.71
Total	72,972.06	70,601.57

2.25 Other Current Liabilities

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory Dues Payable	3,299.38	3,578.86
Other Liabilities	49,591.41	45,759.89
Material Advance	-	8.76
Machinery Advance	316.26	316.26
Mobilisation Advance	26,194.44	856.57
Revenue Received in Advances	370.81	141.10
Other advances from related parties	-	32,710.66
Total	79,772.30	83,372.10

Madhucan Infra Limited

Notes forming part of the consolidated financial statements

2.26 Provisions

	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity	90.87	73.40
Compensated absences	22.44	31.59
Provision for Baddelts	9,530.26	-
Provision for Expenses	2,624.73	-
Provision for Major Maintenance and Repairs	86,031.99	80,166.06
Provision for Periodic Maintenance	43,429.55	8,259.33
Total	1,41,729.84	88,530.38

2.27 Revenue from Operations

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Operating Income		
Income from Contracts and Services	64,941.63	68,529.73
Toll Fee Collection	19,685.19	15,766.91
Other Operating Income		
Sale of Metal, Scrap & Others	-	9.52
Others	10,187.97	6,610.07
Total	94,814.79	90,916.23

2.28 Other Income

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income	129.46	105.64
Miscellaneous Income	10,382.69	11,144.65
Capital Grant Deferment	1,233.07	1,233.07
Dividend Income	0.77	0.74
Total	11,745.99	12,484.10

Madhuccon Infra. Limited

Notes forming part of the consolidated financial statements

2.29 Cost of Materials and Work Expenses

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Stores and Spares	8,825.78	8,621.32
Work Expenses	64,747.29	80,221.60
Total	73,573.07	88,842.92

2.33 Changes in Work-in-progress and Stock

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock	1,316.67	2,206.28
Opening Work-in-Progress	-	-
Closing Stock	(382.43)	(1,316.67)
Closing Work-in-Progress	-	-
(Increase)/Decrease in Work-in-Progress	934.24	889.61

2.30 Employee Benefits Expense

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & Wages Bonus and Provident Fund	2,694.23	2,538.14
Staff Welfare Expenses	225.99	254.71
Total	2,920.22	2,792.85

2.31 Finance Cost

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense	3,137.00	23,986.83
Bank Guarantee Commission	-	583.50
Total	3,137.00	24,570.33

2.32 Other Expenses

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Administrative Expenses	16,610.63	556.12
Insurance Charges	82.71	162.22
Consultancy charges	491.15	415.40
Rent, Rates & Taxes	503.68	807.36
Advances written off	6,042.53	53.41
Total	23,730.70	1,994.51


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

S.No.	Name of the Entity	Country of Incorporation	Proportion of Ownership Interest		
			Madhucon Projects Limited	Madhucon Infra Limited	Madhucon Toll Highways Limited
1	Madhucon Infra Limited	India	94.89%	-	-
2	Nama Hotels Private Limited	India	99.96%	-	-
3	Madhucon Mega Mall Private Limited	India	66.66%	-	-
4	Madhucon Heights Private Limited	India	66.66%	-	-
5	Madhurai Tuticorin Expressways Limited	India	54.12%	-	24.48%
6	Madhucon Toll Highways Limited	India	0.01%	99.98%	-
7	Ranchi Expressways Limited	India	0.02%	0.02%	99.94%
8	Barasat Krishnagar Expressways Limited	India	0.03%	0.04%	99.88%
9	TN(DK) Expressways Limited	India	0.13%	50.97%	48.86%
10	Trichy-Thanjavur Expressways Limited	India	0.15%	76.10%	23.70%
11	Chhapra-Hajipur Expressways Limited	India	0.16%	54.23%	45.58%
12	Vijayawada-Machilipatnam Expressways Limited	India	1.78%	13.33%	80.44%
13	Rajauli Bakhtiyarpur Expressways Limited	India	4.80%	4.00%	83.20%
14	PT Madhucon Indonesia	Indonesia	4.86%	85.00%	-
15	Madhucon Properties Limited *	India	33.33%	-	-

- a) *As the losses incurred by the Associate, Madhucon Properties Limited is in excess of the investment made by the Company, such associate financials are not considered for consolidated financials.

2.34 (a) Contingent Liabilities not provided for:

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
Bank Guarantees**	19,929.38	24,096.32
Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	8,526.29	26,000.00
Disputed Sales Tax (on appeal)	687.42	687.42
Entry Tax	8.85	8.85
Service Tax	1,655.50	1,655.50
Income-tax demand contested in appeal	31,395.49	-
The Group is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable
** on behalf of Subsidiaries and Joint Ventures		



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

S.No	Name of the entity	No of Shares pledged as at 31.03.2022	No of Shares pledged as at 31.03.2021
1	Madurai Tuticorin Expressways Limited	13,98,20,500	13,98,20,500
2	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
3	Madhucon Infra Limited	53,94,77,705	53,94,77,705
4	Simhapuri Energy Limited	715,220,236	715,220,236
5	Madhucon Toll Highways Limited	12,00,00,000	12,00,00,000
6	Madhucon Heights Private Limited	9,000	9,000
7	TN (DK) Expressways Limited	6,04,87,600	6,04,87,600
8	Trichy-Thanjavur Expressways Limited	4,59,30,000	4,59,30,000
9	Chhapra-Hajipur Expressways Limited	4,74,96,637	4,74,96,637
10	Barasat-Krishnanagar Expressways Limited	2,21,34,000	2,21,34,000
11	Ranchi Expressways Limited	7,52,08,000	7,52,08,000

2.36 Deferred Tax Asset / (Liabilities) (net)

Significant components of deferred tax Asset / (Liabilities) for the year ended March 31, 2022:

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Deferred Tax Asset		
Opening Balance	4,438.51	8,421.19
During the Year	(1,870.14)	(3,982.68)
Deferred Tax Asset / (Liability) (net)	2,568.37	4,438.51

2.37 Disclosure in accordance with Ind AS 11 Construction contracts

	(₹ in Lakhs)	
	2021-22	2020-21
Contract revenue recognized	60,431.64	61,525.24
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for Contracts in progress	3,63,034.86	5,47,512.37
Amount of advances received for contracts in progress	3,238.27	4,348.34
Amount of retention money for contracts in progress	1,058.26	12,237.38
Gross amount due from customers for contracts in progress	1,667.75	8,029.61

2.38 Micro & Small Enterprises: The management has taken steps to identify the enterprises which have provided goods and services to the Group and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such



enterprises as on March 31, 2022 has been made in the Financial Statements based on the information received and such amount outstanding as on March 31, 2022 to Micro and Small Enterprises is Nil which the Auditor have relied upon. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

2.39 Earnings per Share:

	Year ended March 31, 2022	Year ended March 31, 2021
Net Loss after tax available for equity shareholders (₹ in Lakhs)	(10,617.03)	(23,374.90)
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Face Value per Share (₹)	1.00	1.00
Basic and Diluted EPS * (₹)	(14.41)	(31.63)

*The Company has no dilutive instruments. As such Diluted Earnings per share equals to Basic Earnings per share.

2.40 Related Party Transactions:

I. Following are the list of related parties and relationships

S.No.	Particulars
A.	Enterprises where significant influence exists
1	Madhucon Estates Limited
2	Nama Properties Limited
3	Mana Blue Metal Private Limited
4	Madhucon Mineral Resources Limited
5	MBN Anchored Earth Limited
B.	Joint Ventures
6	Madhucon Sino-Hydro JV
7	Madhucon Shreehari Hule JV
8	MPL SCCPL SSBBC JV
C.	Key Management Personnel
9	Sri Nama Scethaiah
10	Sri K. Srinivasa Rao
11	Sri Md Shafi
12	Sri Nama Krishnaiah


II. Related party transactions during the year as follows

(₹ in Lakhs)

	2021-22	2020-21
Revenue from Contracts and Services	8,248.51	5,100.33
Remuneration		
Key Management Personnel	124.38	81.85
Sitting Fee	1.30	1.30
Loans/Advances Given		
Associates	2,809.84	1,102.48
Enterprises owned or significantly influenced by key management personnel or their relatives	-	-
Loans/Advances Received		
Jointly Controlled/entities and ventures	-	1,352.87
Retention Money		
Jointly Controlled/entities and ventures	12.41	303.16

III. Related Party balances outstanding at the end of the year as follows

(₹ in Lakhs)

	2021-22	2020-21
Trade Receivables		
Jointly Controlled/entities and ventures	-	-
Outstanding Receivables		
Associates	473.65	3,283.49
Jointly Controlled/entities and ventures	12.41	4,668.00
Key Management Personnel	49.33	55.19
Enterprises owned or significantly influenced by key management personnel or their relatives	3,590.79	4,763.07
Outstanding Payables		
Associates	-	-
Jointly Controlled/entities and ventures	-	1,822.96
Key Management Personnel	0.48	1.60
Enterprises owned or significantly influenced by key management personnel or their relatives	153.02	174.70
Bank Guarantees		
Jointly Controlled/entities and ventures	5,822.85	8,900.00



Note No. 4 The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies. The closing balance as at March 31, 2022 with respect to Nama Investments Limited and NNR Infra Investments Limited are ` 3075.11 Lakhs and ` 362.87 Lakhs respectively.

iii) Barasat - Krishnagar Expressways Limited, a subsidiary company entered into an agreement with NHAI, for developing road project in the state of West Bengal. 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. NHAI had also issued notice for terminations of the project vide its letter dated 3rd May, 2016 and company had replied that the notice is not valid. Both Company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.

The borrowings from secured lenders have declared as Non-performing assets by the lender. Interest on related borrowings have not been provided for.

Cost incurred on the project up to 31-3-2022 at Rs. 5,81,79,22,202/- instead of writing -off to profit & loss has been accounted as NHAI claims receivable under the head "Other Current Financial Assets.

IV) Ranchi Expressways Limited, a subsidiary company, NHAI terminated the Concession Agreement on 30-01-2020 without following the termination procedure laid down in the Concession Agreement. The company has submitted the claim with NHAI. Arbitration Proceedings have also commenced. CBI has filed FIR against the Company, Promoters and Directors on 12-03-2019. Subsequently, the Enforcement Directorate has raided the premises of the company on 11-06-2022 and investigation is under progress. Cost incurred on the project upto 31st March, 2022 Rs.1338,73,49,514/- instead of writing-off, has been accounted as claims receivable under the head " Other Financial Assets.

V) Rajauli - Bakhtiyarpur Expressways Limited (RBEL), a Subsidiary company was awarded the work of Four Laning of Rajauli-Bakhtiyarpur Section of NH-31 from KM 47.723 to KM 154.500 on Design, Build, Finance, Operate and Transfer (DBFOT) basis. As the project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31st March, 2022 Rs.8,15,39,853/- instead of writing-off, has been accounted as claims receivable under the head " Other Current Assets" The company is expecting the reliasation of the expenses incurred on the project.

VI) Madurai - Tuticorin Expressways Limited NHAI has levied penalty of Rs.172.66 Crs for delay in undertaking of Periodic maintenance works. The company has commenced Periodic Maintenance works.

VII) Trichy - Thanjavir Expressways Limited NHAI has levied penalty of Rs.49.79 Crs for delay in undertaking of Periodic maintenance works. The company has commenced Periodic Maintenance works.



2.42 Segment Reporting

The details of primary segment information for the year ended March 31, 2022 and March 31, 2021 are given below:

The Group is currently focused on three business segments Construction, Power and Toll Collection

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
Segment Revenue		
Construction	64,941.63	68,529.73
Energy	-	-
Toll Highways	19,685.19	15,766.91
Others	10,187.97	6,619.59
Less : Inter Segment Revenue		-
Total	94,814.79	90,916.23
Segment Results before Interest and Taxes		
Construction	(5,953.70)	(3,008.21)
Energy	-	-
Toll Highways	(1,804.69)	(692.11)
Others	(933.93)	(290.58)
Total	(8,692.33)	(3,990.89)
Less : Interest Expenses	3,137.00	24,570.33
Profit Before Tax	(10,847.04)	(28,561.22)
Segment Assets*		
Construction	4,79,114.57	4,65,480.83
Energy	-	-
Toll Highways	4,32,898.43	4,27,795.54
Others	11,710.23	19,225.47
Less : Inter Segment Elimination	(3,74,361.46)	(3,79,039.05)
	5,49,361.77	5,33,462.79
Segment Liabilities**		
Construction	5,18,989.52	5,10,794.10
Energy	-	-
Toll Highways	5,31,634.47	5,78,555.26
Others	16,450.51	21,324.82
Less : Inter Segment Elimination	(3,74,361.46)	(3,79,039.05)
	6,92,713.04	7,31,635.13

* Segment Assets excludes current and non-current investments, deferred tax assets

** Segment Liabilities excludes deferred tax liabilities



- 2.43** In respect of a Subsidiary, Madhucon Natural Resources Limited, Singapore, the audit of the subsidiary is not completed, there are no transactions from the inception and the effect on consolidated financial statements is negligible. Hence not considered for consolidation.
- 2.44** Some of the Bank Accounts in Holding Company at closed projects which are in dormant and have not been reconciled due to non-availability of statements
- 2.45** Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

In terms of our report attached

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

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085

N. Seethaiah
Managing Director
DIN-00784491

Mohammad Shafi
Whole-time Director
DIN-07178265

Place : Hyderabad
Date : 28th May, 2022

K. Venkateswarlu
Chief Financial Officer

D. Malla Reddy
Company Secretary
ACS: 9559

Annexure - V

PART A: Subsidiaries

S.No.	Name of Subsidiary	Financial Year	Reporting Currency	Share Capital	Other Equity	Total Liabilities	Total Equity & Liabilities	Total Assets	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	% of Share Holding
1	Madhucan Info Limited	31-03-22	INR	1,26,777.70	(1,18,536.48)	1,62,862.81	1,62,304.03	1,62,304.03	1,93,018.83	1,668.42	16,441.26		16,441.26	34.89
2	Madhucan Toll Highways Limited	31-03-22	INR	36,668.10	(362.42)	0.03	36,566.21	36,566.21	34,066.81		(0.61)		(0.61)	89.98
3	Madhucan Telecom Expressways Limited	31-03-22	INR	16,365.00	(43,363.48)	8,304.86	63,216.45	63,216.45		11,310.79	(7,114.68)		(7,114.68)	84.12
4	Trichy Theglavir Expressways Limited	31-03-22	INR	6,465.00	(16,297.91)	34,857.80	25,024.89	25,024.89		4,909.81	(1,066.79)		(1,066.79)	76.10
5	TN DSI Expressways Limited	31-03-22	INR	7,466.00	(13,000)	27,591.86	22,657.86	22,657.86		55,152.86	(113.30)		(113.30)	50.97
6	Chennai Velupur Expressways Limited	31-03-22	INR	6,418.36	(73,324.26)	1,68,004.53	1,01,098.65	1,01,098.65		4,333.02	(1,460.21)		(1,460.21)	54.23
7	Ranch Expressways Limited	31-03-22	INR	9,080.00	(20,946.12)	1,51,604.50	1,38,728.36	1,38,728.36						96.94
8	Bansal-Kranganur Expressways Limited	31-03-22	INR	4,340.00	(122.71)	73,136.17	77,363.46	77,363.46						96.96
9	Sajal-Balikipur Expressways Limited	31-03-22	INR	25.00	(11.26)	803.08	816.83	816.83						83.20
10	Vijaywada Mochipatnam Expressways Limited	31-03-22	INR	48.00	(187.56)	2,112.50	1,999.92	1,999.92		1,064.50	(3.76)		(3.76)	80.44
11	Nama Holes Private Limited	31-03-22	INR	2,713.12	5,362.91	12.42	8,107.55	8,107.55			(0.03)		(0.03)	90.98
12	Madhucan Heights Private Limited	31-03-22	INR	3.00	(1,848.54)	9,461.54	7,516.01	7,516.01		0.27	(1.76)		(1.76)	66.67
13	Madhucan Mega Mall Private Limited	31-03-22	INR	3.00	3,462.41	137.27	3,602.68	3,602.68			0.64		0.64	68.97
14	PT Madhucan Indonesia	31-03-22	INR	7,227.17	(3,555.57)	5,698.49	9,370.09	9,370.09		9.10	(37.64)		(37.64)	86.00

PART B: Associates

S.No.	Name of the Associate	Latest Audited Balance Sheet	Shares of Associate by the company on the year end		Description of significant influence	Reason for Non-Consolidation	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the Year	
			No.	%				Considered in Consolidation	Not considered in Consolidation
1	Madhucan Properties Limited	31.03.2022	30,000	30.33	Due to % of Shareholding		3,080.32	219.42	



MADHUCON PROJECTS LIMITED
CIN: L74210TG1990PLC11114

Reg off: Madhucon Complex, 1-7-70, Jublipura, Khammam - 507002
Tel: 040-235569001, Fax: 040-23556005, Website: www.madhucon.com

I/We hereby record my/our presence at the 32nd annual general meeting of the company being held on 29th September 2022 at 3:00 P.M. at its registered office.

Member Folio/DP ID- Client ID No. Member /Proxy's name in Block Letters Signature of Member/Proxy

Regd. Folio/ Client ID:

*Applicable for members holding share in Electronic Form.

Note to be signed and handed over at the entrance of the Meeting Venue



MADHUCON PROJECTS LIMITED
CIN: L74210TG1990PLC11114

Reg off: Madhucon Complex, 1-7-70, Jublipura, Khammam - 507002
Tel: 040-235569001, Fax: 040-23556005, Website: www.madhucon.com

FORM NO.MGT-11
PROXY FORM

Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s):	Folio No/client id:
Registered Address:	
E-mail id:	DP id:

I/we, being the member (s) ofshares of the above names Company hereby appoint:

- Name : E-mail id:
Address: signature
.....Or falling him.
- Name : E-mail id:
Address: signature
.....Or falling him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, be held on Thursday, the 29th day of September, 2022 at 3:00 P.M. at Registered Office: Madhucon Complex, 1-7-70, Jublipura, Khammam – 507 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote**	
		For	Against
Ordinary Business			
1.Ordinary Resolution	To receive, consider and adopt Annual Accounts FY ended 31st March, 2022 a) The Audited Financial Statements of the Company in IND AS format for the financial year ended 31 st March, 2022 together with the Reports of the Board of Directors and Auditors' thereon; and b) The Audited Consolidated Financial Statements of the Company in IND AS format for the financial year ended 31 st March, 2022 together with the report of the Auditors' thereon		

**MADHUCON PROJECTS LIMITED**

CIN: L74210TG1990PLC11114

Reg off: Madhucon Complex, 1-7-70, Jublipura, Khammam - 507002

Tel: 040-235569001, Fax: 040-23556005, Website: www.madhucon.com

2. Ordinary Resolution	To appoint a director in place of Mr. Mohammad Shafi (DIN: 07178265), who retires by rotation and being eligible offers himself for re-appointment.		
3. Ordinary Resolution	To appoint Auditors and to fix their remuneration		
Special Business			
4. Ordinary Resolution	Ratification of the Re-appointment of Mr. Seethaiah Nama (DIN:00784491) as Managing Director of the Company.		
5. Special Resolution	Ratification of the reappointment of Mr. Madhava Rao Potla (DIN 00385838) as an independent director of the Company.		
6. Special Resolution	Ratification of the reappointment of Mrs. Chinthapli Lakshmi Kumari (DIN 06942473) as an independent director of the Company.		
7. Ordinary Resolution	To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31st March, 2023		
8. Ordinary Resolution	Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans of the Company		

Signed..... day of 2022

Signature of the shareholder(s).....

Signature of the Proxy holder(s).....

Notes:

1. The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time fixed for holding the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the Signature of any one holder will be sufficient, but names of all the joint holders should be stated.