



# MADHUCON

PROJECTS LIMITED

CIN: L74210TG1990PLC011114

Ref.: MPL/HYD/SE/0016/2022-23

Date: 29-05-2022

To

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

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

We wish to inform you that, the Board has approved the Audited Standalone and Consolidated Financials for the quarter and year ended 31st March 2022, at their Board Meeting held on 28<sup>th</sup> May, 2022.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, statement showing the Audited Standalone and Consolidated Financials for the quarter and year ended 31st March, 2022 along with the statement of Assets & Liabilities, Cash Flow statement and Auditor's Report of the Statutory Auditors are **enclosed herewith**.

Pursuant to Regulation 33 (3) (d) of the SEBI (LODR) Regulations, 2015, the Board declares that the **afore said** Auditor's Reports are issued with **modified opinion** by the Statutory Auditors M/s P. Murali & Co., Chartered Accountants. In this regards, please find **attached duly signed reply in Annexure-1 with statement** for your records.

The Meeting of Board of Directors' of the Company at 04:00 P.M and concluded at 2:00 A.M.

Kindly take them on record.

Thanking you,

For **MADHUCON PROJECTS LIMITED**

  
(D. Malla Reddy) 29/5/22  
Company Secretary  
ACS: 9559



Encl: As above.



**MADHUCON PROJECTS LIMITED**

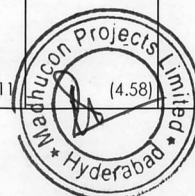
CIN-L74210TG1990PLC011114

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

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

(Rs. in Lakhs)

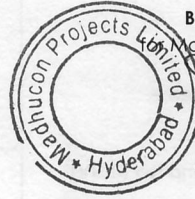
Sl. No	Particulars	Standalone				
		Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	24,891.68	17,837.36	29,093.49	70,614.85	64,655.05
II	Other income	861.82	346.08	1,994.88	1,656.95	7,190.97
III	<b>Total Income (I+II)</b>	<b>25,753.49</b>	<b>18,183.43</b>	<b>31,088.37</b>	<b>72,271.80</b>	<b>71,846.02</b>
IV	<b>Expenses:</b>					
	(a) Cost of Materials Consumed	16,722.90	12,341.56	30,053.99	51,899.33	63,442.04
	(b) Employee benefits expense	456.67	417.31	510.36	1,679.16	1,728.40
	(c) Other expenses	8,623.35	5,667.56	541.55	19,308.89	10,872.13
	(d) Financial Costs	35.69	26.37	50.28	417.54	263.72
	(e) Depreciation and amortisation expense	124.90	117.72	227.15	478.06	595.97
	<b>Total Expenses</b>	<b>25,963.51</b>	<b>18,570.52</b>	<b>31,383.33</b>	<b>73,782.99</b>	<b>76,902.27</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(210.01)</b>	<b>(387.08)</b>	<b>(294.95)</b>	<b>(1,511.19)</b>	<b>(5,056.25)</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(210.01)</b>	<b>(387.08)</b>	<b>(294.95)</b>	<b>(1,511.19)</b>	<b>(5,056.25)</b>
VIII	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-	-	(5,392.23)
	C) Deferred Tax	1,402.39	692.36	(374.21)	1,870.14	3,982.68
	<b>Total Tax (a+b)</b>	<b>1,402.39</b>	<b>692.36</b>	<b>(374.21)</b>	<b>1,870.14</b>	<b>(1,409.55)</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>(1,612.41)</b>	<b>(1,079.45)</b>	<b>79.26</b>	<b>(3,381.33)</b>	<b>(3,646.70)</b>
X	<b>Profit/(Loss) from discontinued operations</b>	-	-	-	-	-
XI	<b>Tax Expense of discontinued operations</b>	-	-	-	-	-
XII	<b>Profit/(Loss) from discontinued operations after tax (X-XI)</b>	-	-	-	-	-
XIII	<b>Profit/Loss for the period (IX+XII)</b>	<b>(1,612.41)</b>	<b>(1,079.45)</b>	<b>79.26</b>	<b>(3,381.33)</b>	<b>(3,646.70)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XIV	<b>Other Comprehensive Income (net of tax)</b>	-	-	-	-	-
	A) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(i) Re-measurement gains/(losses) on defined benefit plans	19.45	-	(35.65)	19.45	(35.65)
	Share of Other Comprehensive income transferred to Non Controlling interest	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	Share of Profit/(Loss) transferred to Non Controlling Interest	-	-	-	-	-
	<b>Total Other Comprehensive income, net of tax</b>	<b>19.45</b>	<b>-</b>	<b>(35.65)</b>	<b>19.45</b>	<b>(35.65)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>(1,592.95)</b>	<b>(1,079.45)</b>	<b>43.61</b>	<b>(3,361.88)</b>	<b>(3,682.35)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XVI	Paid - up Equity Share Capital (Face value of Rs.1/- per share)	737.95	737.95	737.95	737.95	737.95
XVII	Total Reserves i.e Other equity	-	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)					
	- Basic and Diluted	(2.18)	(1.46)	0.11	(4.58)	(4.94)



**Notes:**

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 28th May, 2022 and approved by the Board of Directors of the Company at its meeting held on 28th May, 2022. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2022.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Standalone Audited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI ((Listing Obligation and Disclosure Requirements), Regulations, 2015.
- 4 Figures of the Quarter ended 31st March, 2022 and 31st March, 2021 are the balancing figures between the Audited figures in respect of the Full Financial Year and Unaudited published figures upto the Third Quarter for the respective years.
- 5 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad  
Date : 28-05-2022



By order of the Board  
Madhucon Projects Limited

*(N. Seshan)*

Managing Director  
DIN: 00784491





**Madhucon Projects Limited**  
**Balance Sheet as at March 31, 2022**

( in Lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2.1	3,816.45	4,327.87
<b>Financial Assets</b>			
Investments	2.2	1,48,838.38	1,48,838.38
Trade Receivables	2.3	7,465.49	7,864.07
Loans	2.4	25,971.90	26,646.27
Others Financial Assets	2.5	17,782.43	24,600.79
Deferred tax Asset (Net)	2.6	2,568.36	4,438.51
Other Non-Current Assets	2.7	21,958.73	25,372.58
<b>Total Non-Current Assets</b>		<b>2,28,401.74</b>	<b>2,42,088.46</b>
<b>Current Assets</b>			
Inventories	2.8	382.43	1,316.67
<b>Financial Assets</b>			
Trade Receivables	2.9	1,239.02	165.54
Cash and Cash equivalents	2.10	1,057.89	1,011.48
Bank Balances other than above	2.11	2,035.35	589.93
Loans	2.12	174.52	130.16
Others Financial Assets	2.13	3,668.91	3,932.14
Current Tax Asset (Net)		3,677.21	5,928.08
Other Current Assets	2.14	6,413.00	6,881.46
<b>Total Current Assets</b>		<b>18,648.34</b>	<b>19,955.46</b>
<b>Total Assets</b>		<b>2,47,050.08</b>	<b>2,62,043.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	2.15	740.32	740.32
Other Equity	2.16	52,191.06	55,588.59
<b>Total Equity</b>		<b>52,931.39</b>	<b>56,328.91</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.17	-	13.53
Trade Payables	2.18	7,270.58	12,199.14
Other Financial Liabilities	2.19	73.54	369.47
Provisions	2.20	113.51	104.67
Other Non-Current Liabilities	2.21	1,311.35	3,256.62
<b>Total Non-Current Liabilities</b>		<b>8,768.97</b>	<b>15,943.43</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.22	67,087.79	68,662.61
Trade Payables	2.23	58,823.21	62,797.26
Other Financial Liabilities	2.24	14,234.44	15,820.26
Other Current Liabilities	2.25	33,293.69	39,340.46
Provisions	2.26	10,598.34	1,007.11
Current Tax Liabilities (Net)		1,312.26	2,143.88
<b>Total Current Liabilities</b>		<b>1,85,349.72</b>	<b>1,89,771.58</b>
<b>Total Equity and Liabilities</b>		<b>2,47,050.08</b>	<b>2,62,043.92</b>

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

For and on behalf of the Board



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

Place : Hyderabad  
Date : May 28, 2022

<b>MADHUCON PROJECTS LIMITED</b>		
<b>Standalone Cash Flow Statement for the Year ended March 31, 2022</b>		
		(` in Lakhs)
Particulars	Year ended March 2022	Year ended March 2021
<b>A Cash flow from operating activities</b>		
Profit/(loss) before income tax	(1,511.19)	(5,056.25)
<b>Adjustments for:</b>		
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
<b>Change in operating assets and liabilities</b>		
(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	7,081.60	(8,099.30)
(Increase)/decrease in other current and non-current assets	6,133.18	1,115.09
(Increase) decrease in other bank balances	(1,445.43)	(12.27)
Increase/(decrease) in Loans	630.01	(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
<b>Cash generated from operations</b>	<b>1,905.09</b>	<b>3,735.44</b>
Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>1,905.09</b>	<b>3,735.44</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant and equipment	33.36	(734.13)
Payments for purchase of investments	-	-
Dividend paid	-	-
Interest received	113.86	78.60
<b>Net cash outflow from investing activities</b>	<b>147.22</b>	<b>(655.53)</b>
<b>C Cash flows from financing activities</b>		
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)
<b>Net cash outflow from financing activities</b>	<b>(2,005.90)</b>	<b>(2,711.58)</b>
Net increase/(decrease) in cash and cash equivalents	46.42	368.33
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1,011.48</b>	<b>643.15</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,057.89</b>	<b>1,011.48</b>
Reconciliation of cash and cash equivalents as per the cash flow statement		
	<b>31 March, 2022</b>	<b>31 March, 2021</b>
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	<b>1,057.89</b>	<b>1,011.48</b>
Balances per statement of cash flows	<b>1,057.89</b>	<b>1,011.48</b>

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

For and on behalf of the Board



*(N Seethaiah)*  
N Seethaiah

Managing Director  
DIN-00784491

Place: Hyderabad  
Date : May 28, 2022

**ANNEXURE I**

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

Rs. In Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

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

I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	72,271.80	Not Ascertainable
	2	Total Expenditure	73,782.99	Not Ascertainable
	3	Net Profit/(Loss)	(3,381.33)	Not Ascertainable
	4	Earnings Per Share	(4.58)	Not Ascertainable
	5	Total Assets	2,47,050.08	Not Ascertainable
	6	Total Liabilities	1,94,118.70	Not Ascertainable
	7	Net Worth	52,931.39	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

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

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

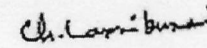
**III Signatories:**

For Madhucon Projects Limited


  
(Secretary Name)  
Managing Director  
DIN: 00784491



  
(K. Venkateswarlu)  
Chief Financial Officer

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

For P. MURALI & CO.,  
Chartered Accountants  
FRN : 007257S

  
A. KRISHNA RAO  
Partner  
M. No. 020088







**P. MURALI & CO.,**

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

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

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

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

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

**Qualified Opinion:**

We have audited the accompanying standalone quarterly financial results of **M/S. MADHUCON PROJECTS LIMITED** ("the Company") for the quarter ended 31st March, 2022 and the year to date results for the period from 01-04-2021 to 31-03-2022, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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


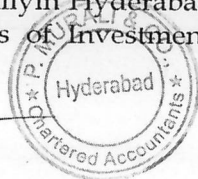
a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the Net Loss and other comprehensive income and other financial information for the quarter ended 31st March, 2022 as well as the year to date results for the period from 01-04-2021 to 31-03-2022.

**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 Kukatpallyin Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to



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HYDERABAD - 500 082. INDIA

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

Rs.3,500.00 lakhs and Rs.135.33 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.

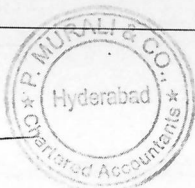
3. There are outstanding Loans and advances of Rs 3075.11 Lakhs and Rs 362.87 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded 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. 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 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 2017-18	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







## P. MURALI & CO.,

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

7. 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.

8. (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.

9. Internal Audit has not been conducted for the period 01<sup>st</sup> October 2021 to 31<sup>st</sup> March 2022.

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

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.


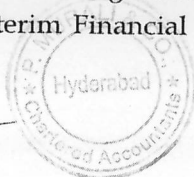
### Emphasis of Matter

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

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

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with



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

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

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

relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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•Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

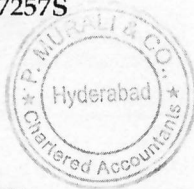
•Evaluate the overall presentation, structure, and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

A Krishna Rao  
Partner  
Membership No:020085  
UDIN: 22020085AJVICN8921



Place: Hyderabad

Date: 28/05/2022



**MADHUCON PROJECTS LIMITED**

CIN-L74210TG1990PLC011114

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

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

		(Rs. in Lakhs)				
Sl. No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Unaudited	Audited	Audited	Audited
	<b>PART-I</b>					
I	Revenue from Operations	34,229.83	23,982.35	44,570.41	94,814.79	90,916.23
II	Other income	7,285.60	507.98	4,591.55	11,745.99	12,484.10
III	<b>Total Income (I+II)</b>	<b>41,515.43</b>	<b>24,490.33</b>	<b>49,161.96</b>	<b>1,06,560.78</b>	<b>1,03,400.33</b>
IV	<b>Expenses:</b>					
	(a) Cost of Materials Consumed	25,858.09	21,118.20	82,682.96	73,573.07	88,842.93
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	986.05	(2,218.44)	(32,498.44)	934.24	889.61
	(c) Employee benefits expense	1,002.02	542.24	809.75	2,920.22	2,792.85
	(d) Other expenses	13,869.21	5,634.41	(8,105.46)	23,730.70	1,994.52
	(e) Financial Costs	(1,233.55)	(51.26)	21,746.38	3,137.00	24,570.33
	(f) Depreciation and amortisation expense	3,509.06	3,522.85	3,261.71	14,094.98	12,871.32
	<b>Total Expenses</b>	<b>43,990.88</b>	<b>28,548.00</b>	<b>67,896.89</b>	<b>1,18,390.21</b>	<b>1,31,961.55</b>
V	<b>Profit/(Loss) Before Exceptional Items and tax (III-IV)</b>	<b>(2,475.45)</b>	<b>(4,057.67)</b>	<b>(18,734.93)</b>	<b>(11,829.43)</b>	<b>(28,561.22)</b>
VI	Exceptional Items					
	Provision for Impairment on Investments	-	-	-	-	-
	Share of (Loss) from Associate Company	982.39	-	982.39	982.39	982.39
VII	<b>Profit/(Loss) Before Tax (3-4)</b>	<b>(1,493.06)</b>	<b>(4,057.67)</b>	<b>(17,752.55)</b>	<b>(10,847.04)</b>	<b>(27,578.83)</b>
VIII	<b>Tax Expense</b>					
	a) Current Tax	-	-	-	-	-
	b) Adjustments relating to earlier years	-	-	-0.00	-	(5,392.23)
	c) Deferred Tax	1,402.39	692.36	(374.22)	1,870.14	3,982.68
	<b>Total Tax (a+b)</b>	<b>1,402.39</b>	<b>692.36</b>	<b>(374.22)</b>	<b>1,870.14</b>	<b>(1,409.55)</b>
IX	<b>Profit/(Loss) from Continuing operations (VII-VIII)</b>	<b>(2,895.45)</b>	<b>(4,750.03)</b>	<b>(17,378.32)</b>	<b>(12,717.18)</b>	<b>(26,169.29)</b>
X	<b>Profit/(Loss) from discontinued operations</b>	-	-	-	-	-
XI	<b>Tax Expense of discontinued operations</b>	-	-	-	-	-
XII	<b>Profit/(Loss) from discontinued operations after tax (X-XI)</b>	-	-	-	-	-
XIII	<b>Profit/Loss for the period (IX+XII)</b>	<b>(2,895.45)</b>	<b>(4,750.03)</b>	<b>(17,378.32)</b>	<b>(12,717.18)</b>	<b>(26,169.29)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	6,967.21	(4,222.30)	(15,227.10)	(10,634.51)	(23,339.24)
	- Non Controlling Interest	(332.41)	(527.73)	(2,151.25)	(2,082.68)	(2,830.05)
XIV	<b>Other Comprehensive Income (net of tax)</b>	-	-	-	-	-
	A) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(i) Re-measurement gains/(losses) on defined benefit plans	19.45	-	(35.65)	19.45	(35.65)
	Amount Not Reclassifiable to P&L	(1.96)	-	-	(1.96)	-
	Share of Other Comprehensive income transferred to Non Controlling interest	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to these items	-	-	-	-	-
	Share of Profit /(Loss) transferred to Non Controlling Interest	-	-	-	-	-
	<b>Total Other Comprehensive income, net of tax</b>	<b>17.49</b>	<b>-</b>	<b>(35.65)</b>	<b>17.48</b>	<b>(35.65)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	-	-	-	-	-
	- Non Controlling Interest	-	-	-	-	-
XV	<b>Total Comprehensive Income (XIII+XIV)</b>	<b>6,984.70</b>	<b>(4,222.30)</b>	<b>(15,262.75)</b>	<b>(10,617.03)</b>	<b>(23,374.89)</b>
	<b>Attributable to:</b>					
	- Share Holders of the Parent Company	6,984.70	(4,222.30)	(15,262.75)	(10,617.03)	(23,374.89)
	- Non Controlling Interest	-	-	-	-	-
XVI	Paid - up Equity Share Capital (Face value of Rs.1/- per share)	737.95	737.95	737.95	737.95	737.95
XVII	Total Reserves i.e Other equity	-	-	-	-	-
XVIII	Earning per share (of Rs.1/- each) (not annualised) (for discontinued and continuing operations)					
	- Basic and Diluted	9.44	(5.72)	(20.63)	(14.41)	(31.63)

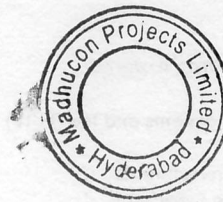


**Notes:**

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 28th May, 2022 and approved by the Board of Directors of the Company at its meeting held on 28th May, 2022. The Statutory Auditors have submitted Audit Report on the Audited Financial Results for Quarter and Year ended 31st March, 2022.
- 2 The Company's operations primarily consists of construction-project activities and there are no other reportable segments under Ind AS 108 "Operating Segments".
- 3 The Consolidated Audited Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.
- 4 The figures for the Quarter ended 31st March, 2022 and 31st March, 2021 are the balancing figures between the Audited figures in respect of the full Financial Year and Unaudited published figures upto the Third Quarter for the respective years.
- 5 Figures of previous period have been regrouped / rearranged wherever necessary.

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

Place: Hyderabad  
Date : 28-05-2022



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





**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
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
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	2.1a	57,400.81	64,254.46
(v) Intangible Assets under Development		40,002.45	46,333.14
Investment Properties		41.36	41.36
<b>Financial Assets</b>			
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)	2.4	2,568.36	4,438.51
Other Non-Current Assets	2.6	22,276.66	26,423.43
<b>Total Non-Current Assets</b>		<b>3,33,679.41</b>	<b>3,18,726.78</b>
<b>Current Assets</b>			
Inventories	2.7	553.59	1,479.27
<b>Financial Assets</b>			
Investments		64.78	64.07
Trade Receivables	2.8	1,569.89	447.44
Cash and Cash Equivalents	2.9	9,498.55	6,460.24
Bank Balances other than above	2.10	2,035.35	589.93
Loans	2.11	174.52	130.15
Others Financial Assets	2.12	1,83,502.27	1,85,669.25
Current Tax Asset (Net)	2.13	4,300.47	6,202.73
Other Current Assets	2.14	14,965.36	13,692.95
<b>Total Current Assets</b>		<b>2,16,664.78</b>	<b>2,14,736.03</b>
<b>Total Assets</b>		<b>5,50,344.19</b>	<b>5,33,462.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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)	(1,88,437.33)
Non-Controlling Interests		(12,211.26)	(9,735.00)
<b>Total Equity</b>		<b>(2,21,013.84)</b>	<b>(1,98,172.33)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
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
<b>Total Non-Current Liabilities</b>		<b>2,83,198.72</b>	<b>2,89,694.02</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
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
<b>Total Current Liabilities</b>		<b>4,88,159.31</b>	<b>4,41,941.14</b>
<b>Total Equity and Liabilities</b>		<b>5,50,344.19</b>	<b>5,33,462.82</b>

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

**For and on behalf of the Board**



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

Place : Hyderabad  
Date : May 28 2022

**ANNEXURE 1**

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

Rs. In Lakhs

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

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

I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	1,06,560.78	Not Ascertainable
	2	Total Expenditure	1,18,390.21	Not Ascertainable
	3	Net Profit/(Loss)	(12,717.18)	Not Ascertainable
	4	Earnings Per Share	(14.41)	Not Ascertainable
	5	Total Assets	5,50,344.19	Not Ascertainable
	6	Total Liabilities	7,71,358.03	Not Ascertainable
	7	Net Worth	(2,21,013.84)	Not Ascertainable
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

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

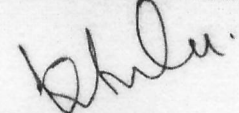
a	Details of Audit Qualification: Separate sheet of replies enclosed
b	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion
c	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing
d	For Audit Qualification(s) where the impact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

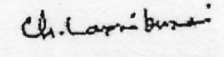
**III Signatories:**

For Madhucan Projects Limited

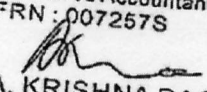
  
(Seethalaxh Nama)  
Managing Director  
DIN: 00784491



  
(K. Venkateswarlu)  
Chief Financial Officer

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

For P. MURALI & CO.,  
Chartered Accountants  
FRN : 007257S

  
A. KRISHNA RAO  
Partner  
M. No. 020086





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

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


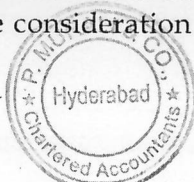
**1. Qualified opinion**

We have audited the accompanying statement of consolidated financial results (the statement) of **M/S MADHUCON PROJECTS LIMITED** ('the Company') and its subsidiaries (the Company and its subsidiaries referred to as, 'the Group'), its associate for the quarter ended 31<sup>st</sup> March 2022 and for the period from 01-04-2021 to 31-03-2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Requirements").

This Statement which is the responsibility of the Company's management and have been approved by the Board of Directors of the Company, has been compiled from related consolidated financial statements which have been prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; Our responsibility is to express an opinion on the consolidated Ind AS financial statements as at and for the quarter ended 31<sup>st</sup> March 2022 and for the period from 01-04-2021 to 31-03-2022; and the relevant requirements of Regulation 33 Of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Requirements").

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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on subsidiaries and





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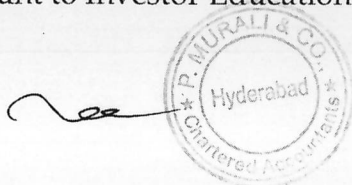
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step down subsidiaries of the Group referred to in below Paragraph 5 and except for the possible effects of the matters described in below paragraph5, the year to date consolidated financial statement:

- i) Includes the results of the entities listed in **Annexure-1**,
- ii) Are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Requirements”) and
- iii) Give a true and fair view in conformity with the aforesaid Indian Accounting standards and other accounting principles generally accepted in India of the consolidated loss and total comprehensive income and other financial information of the group for the quarter ended 31<sup>st</sup> March 2022 and for the year ended March 31, 2022.

### 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 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).





**P. MURALI & CO.,**


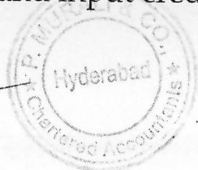
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E-mail : pmurali.co@gmail.com  
info@pmurali.com  
Website : www.pmurali.com

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. 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 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 2017-18	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 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 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.



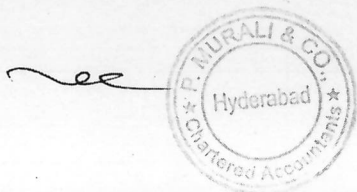


**P. MURALI & CO.,**

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

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
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9. Internal Audit has not been conducted for the period 01<sup>st</sup> October 2021 to 31<sup>st</sup> March 2022.
10. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
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. "Madhucon Infra Limited (MIL)", which is a subsidiary to the Company, 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 who's principle 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 24<sup>th</sup>,2020. In terms of settlement, OTS amount of Rs. 70 Crores was to be paid by the company in three instalments. However, the company made total payment of 13.5 crores up to 31<sup>st</sup> March,2022.
16. Madhucon Infra Limited, which is a subsidiary to the Company, 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 which is a subsidiary to the company, balances as at 31 March,2022 in respect of Some subsidiaries are subject to reconciliation.





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

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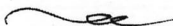
18. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs 34.51 lakhs paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act,2013.

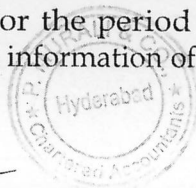
### **3. Emphasis of Matter**

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

### **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.12,153.01 Lakhs and 32690.69 Lakhs and total Loss & total Comprehensive Income of Rs.2,362.82 Lakhs and 9760.93 Lakhs for the quarter ended 31<sup>st</sup> March 2022 and for the period from 01-04-2021 to 31-03-2022 respectively. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.
- b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign step down subsidiary of the 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.9.1 Lakhs and 0.46 Lakhs and total Loss & total Comprehensive of Rs. 37.64 Lakhs and 15.51 Lakhs for the quarter ended 31<sup>st</sup> March 2022 and for the period from 01-04-2021 to 31-03-2022. The Financial statements / financial information of this company are unaudited and have been furnished to us







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2339 3967, 2332 1470  
Fax : (91-40) 2339 2474  
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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. Madhucon Infra Limited has made 100% provision for its 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 sevenstep down 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 " insuch 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 projectfor 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.






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

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

**Emphasis of Matter:**

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-Bakthiyarpur 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 .




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### **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.







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2339 3967, 2332 1470  
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**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 2<sup>nd</sup> 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.

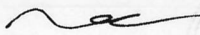

This has reflected in the increase of the Liabilities and an increase in the Project cost represented by NHAI receivables.

**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.



**P. MURALI & CO.,**

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

Tel. : (91-40) 2332 6666, 2331 2554  
2339 3967, 2332 1470  
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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.




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**g) Ranchi Expressways Limited (REL)**

**Emphasis of Matter:**

Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2<sup>nd</sup> 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 30/01/2019 without following the termination procedure laid down in the Concession Agreement[as informed by the company]. Since project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE).

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

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

Cost incurred on the project up-to 31<sup>st</sup> March, 2022Rs. 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





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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.

6. The Financials Results include result for the quarter ended 31<sup>st</sup> March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to 3<sup>rd</sup> quarter of the current financial year which were subject to limited review

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

A Krishna Rao  
Partner

M.No:020085

UDIN:- 22020085AJVIIR2506



Place: Hyderabad

Date:28-05-2022



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**Annexure-1 to Auditors Report:**

**Subsidiaries**

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

**Associate**

- 1) Madhucon Properties Limited





## MADHUCON

PROJECTS LIMITED

CIN: L74210TG1990PLC011114

### Replies to Audit Qualification:

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

These financials were reviewed by the Audit committee in the meeting held on 28.05.2022 and approved by the board of directors of the company at the meeting held on 28.05.2022.

1. The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries listed in that note No.1, which have been incurring losses, the company, taking into account the internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books.
2. The Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Telangana housing Board at Kukatpally in Hyderabad. The company is awaiting the Government approval to start the project. The management of the company is confident in completing the project and the carrying values of investments and loans sanctioned to MMMPL are realizable at the values stated in the Books of Account of Rs. 3500.00 Lakhs and Rs. 135.33 Lakhs respectively.
3. The outstanding Loans and Advances which were granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" in which the Company's Directors have Interest, are realizable at the Carrying Values in the Books of Accounts taking into account the internal assessment and initiatives to be implemented to improve the profitability in the medium to long term.
4. The company is taking steps for remitting the unpaid dividend from the unpaid dividend account to Investor Educational and Protection Fund (IEPF) for FY 2008-09 to FY 2010-11.
5. The Company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.67087.79 Lakhs and Rs.4508.69 Lakhs respectively as per books of accounts. All the loans outstanding were classified as NPA by the Banks and financial institutions. The company is in the process of One Time Settlement (OTS) with the banks for outstanding loans and is expected to close the outstanding loans shortly as the OTS proceedings are in final stages.
6. There are some delays in depositing the undisputed Statutory dues including P.F, TDS, WCT and VAT due to huge stress on cash flows of the company. However, company is taking steps to remit the undisputed tax dues.
7. The company is taking steps to file the pending final GST Returns for FY 2021-22 in case of few states.
8. The company has made payments towards managerial remuneration which is subject to the approval of the Banks and financial institutions.



Contd...2



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9. Company is taking steps for the appointment of Internal Auditor.
10. CBI filed the FIR against REL and its promoters, (a step-down subsidiary of the company) and subsequently the Enforcement Directorate had raided the premises and the investigation is under process. Company is co-operating to the authorities in their investigation by providing the information sought by them.
11. Madhucon infra Limited (MIL), which is a subsidiary to the company, as defaulted in repayment of dues to Financial Institutions (excluding debentures) amounting to Rs. 16.57 and the loans outstanding was classified as NPA by the Financial Institution. The company is negotiating with the Financial institutions towards OTS settlement.
12. Madhucon Infra Limited has submitted One Time Settlement proposal with IFCI and it was agreed to accept Rs.70 Cr towards full and final settlement. The company has paid Rs.13.50 Cr up to 31/03/2021. The company has requested the IFCI for revision in the OTS settlement terms.
13. "Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in West Bengal State. The Construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the projects to NHAI on 31st December, 2015. BKEL and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI Had also issued notice for termination of the project vide its letter dated 3rd May 2016 and BKEL had replied that the notice is not valid. Both BKEL and NHAI appointed arbitrators. The arbitration proceedings are in progress with SAROD". As the borrowings from secured lenders have been declared as Non-performing asset by the lenders, interest on related borrowings have not been accounted for.
14. Rajauli - Bakhtiyarpur Project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31.03.2021 Rs. 815.40 lakhs instead of writing-off, has been accounted as claims receivable under the head "other Current Assets. The company has sent notice to Bihar State Road Development Corporation (BSRDC) to refer the matter to the arbitration for recovery of expenditure spent on the project which is under process.
15. Madurai Tuticorin Expressways limited and Trichy Thanjavur Expressways Limited which are subsidiaries of the company taken loans from different financial institutions and those loans became NPA's due to short fall in traffic against the estimated traffic by NHAI. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company is in the process of finding investor for the project. The company has submitted One Time Settlement Proposal to Lenders which is under process.
16. TN (DK) Expressways limited Expressways Limited which is subsidiary of the company obtained loans from different financial institutions and those loans became NPA's due to short fall in traffic against the estimated traffic by NHAI. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company has submitted OTS proposals which are in process with financial institutions.



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17. Ranchi Expressways Limited was incorporated under the Companies Act, 1956, on 29th Day of March, 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km. 114.000 to Km. 277.500 in the state of Jharkhand on DBFOT (Annuity) basis for a concession period of 15 years. This contract was awarded by NHAI. The Company shall hand over the Project to NHAI on expiry of the Concession Period. The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders are seeking for One Time Settlement, Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers. The NHAI had given the consent vide it's letter dated 18-04-2019. The company has submitted the claim with NHAI. The arbitration proceedings were commenced."

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

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

  
(N. Seethaiah)  
Managing Director  
DIN: 00784491



Date : 28.05.2022  
Hyderabad.