



Ref No: MPL/SES/AFR /2017

Date: 03-06-2017

Bombay Stock exchange Limited  
PJ Towers, Dalal Street  
Mumbai-400001

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Ex-Bandra East, Mumbai-400051

Dear Sir,

**Sub: Audited Financials Results for the year Ended 31.03.2017**

**Ref:** 1) BSE Scrip Code: 531497, NSE Scrip Code: MADHUCON  
2) Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of Our Company at its Adjourned Meeting held on 03.06.2017 had approved the audited Standalone and Consolidated Financial Statements of the Company for the year ended 31.03.2017 as reviewed and recommended by the Audit Committee.

Further, in accordance with the above SEBI (LODR) Regulation, 2015 we enclose herewith the following for your information and record:

- a) Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended 31.03.2017 along with Auditors report on Standalone and Consolidated annual audited financial results along with the declaration signed by our Company secretary for audit report on standalone with unmodified opinion) and the statement of Impact of Audit qualifications on Consolidated in Annexure-I.
- b) Statement of Assets & Liabilities as at 31.03.2017 in the format specified under SEBI (LODR) Regulations, 2015 thereon ,

Please acknowledge receipt of the above.

Thanks & regards,

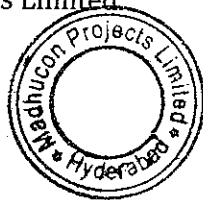
For Madhucon Projects Limited

Bh. Sai Viswanath

Company Secretary

FCS: 8564

Encl;



**Corp. Office :** "Madhucon House", 1129/A, Road No. 36, Jubilee Hills, Hyderabad - 500 033, Telangana, India

**Tel :** +91-40-23556001 - 4 **Fax :** +91-40-23556005 **E-mail :** corporate@madhucon.com

**Regd. Office :** H.No.1-7-70, Jublipura, Khammam, Telangana - 507 003, India

[www.madhucon.com](http://www.madhucon.com)



## PRESS RELEASE

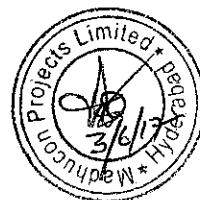
Madhucon Projects Ltd during the financial year 2016-2017, has achieved a total income (standalone) of Rs.71035.23 lakhs as against Rs. 73865.35 lakhs and a EBITDA of Rs.15299.25 lakhs against Rs. 16852.06 lakhs and Earning Per Share (EPS) of Rs. 2.37 against (Rs 2.63) of previous year.

Madhucon Projects Ltd (MPL) is a Premier infrastructure development company and the flagship company of Madhucon Group. MPL is a well-established Construction Company and a leading Contractor in executing projects, in various sectors - Transportation (National & State Highways, Roads, Metro, Railways & Ports), Irrigation & Water Resources, Buildings & Property Development, Mining (Coal & other Minerals), Energy (Generation, Transmission & Distribution) and other Infrastructure Projects.

MPL has built over 3100 Lane Kms of Highways out of which over 7% are National Highways in the Golden Quadrilateral. MPL is known for quality construction and timely execution.

MPL's order book position is around Rs. 5,851 Crores which includes the new orders of Maharashtra Road Projects of Rs 1137 Crores and Bangalore Road works Package-2 of Rs 598 crores . The company expecting the future orders about Rs.10000 Crores in the coming year 2017-2018. Madhucon is now fully focusing on EPC projects and also item rate projects works.

For Further information about Madhucon Group, visit [www.madhucon.com](http://www.madhucon.com).



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**MADHUCON PROJECTS LIMITED**

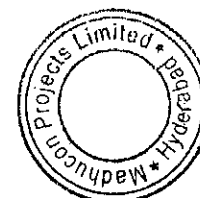
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Regd. Office: 1-7-70, Jubilpura, Khammam - 507003, Telangana

**STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017**

Rs. in Lakhs

Sl. No.	Particulars	Standalone 3 Months Ended			Standalone Year Ended		Consolidated Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)	( Audited)	( Audited)
	<b>PART-I</b>							
1	<b>Income from Operations:</b>							
	(a) Net Sales/ Income from Operations	22,369.59	15,198.61	25,086.44	69,307.24	71,777.56	157,641.67	259,942.58
	(b) Other Income	250.89	482.58	1,787.81	1,727.99	2,087.80	2,538.89	10,125.56
	<b>Total Income</b>	<b>22,620.48</b>	<b>15,681.19</b>	<b>26,874.25</b>	<b>71,035.23</b>	<b>73,865.36</b>	<b>160,180.56</b>	<b>270,068.14</b>
2	<b>Expenses:</b>							
	(a) Cost of Materials Consumed	15,684.27	9,696.05	21,472.02	45,926.95	50,166.12	109,864.16	159,281.63
	(b) Purchase of Stock-in-trade	-	-	-	-	-	-	-
	(c) Changes in inventory of Finished goods, Work-in-Progress and stock-in-trade	(133.71)	47.89	(825.98)	579.55	(809.72)	416.64	(1,532.56)
	(d) Employee benefits expense	1,255.20	1,178.98	1,159.48	4,543.41	3,796.07	4,731.90	4,211.27
	(e) Other expenses	1,674.69	297.71	1,131.49	4,686.08	3,860.84	6,174.71	3,443.83
	(f) Financial Costs	2,390.72	2,615.75	2,615.44	9,825.63	10,548.51	75,090.49	74,834.52
	(g) Depreciation and amortisation expense	592.65	610.30	498.79	2,513.55	3,227.51	26,924.52	22,216.32
	<b>Total Expenses</b>	<b>21,463.80</b>	<b>14,446.69</b>	<b>26,051.24</b>	<b>68,075.17</b>	<b>70,789.33</b>	<b>223,202.42</b>	<b>262,455.00</b>
3	<b>Profit Before Exceptional Items (1-2)</b>	<b>1,156.68</b>	<b>1,234.50</b>	<b>823.01</b>	<b>2,960.06</b>	<b>3,076.03</b>	<b>(63,021.86)</b>	<b>7,613.14</b>
4	Exceptional Items	-	-	-	-	-	-	-
5	<b>Profit Before Tax (3-4)</b>	<b>1,156.68</b>	<b>1,234.50</b>	<b>823.01</b>	<b>2,960.06</b>	<b>3,076.03</b>	<b>(63,021.86)</b>	<b>7,613.14</b>
6	<b>Tax Expense</b>							
	a) Current Tax	575.68	263.47	248.60	1,265.00	687.51	1,265.00	4,988.52
	b) Deferred Tax	129.65	-	-	129.65	151.78	129.65	156.81
	<b>Total Tax (a+b)</b>	<b>705.33</b>	<b>263.47</b>	<b>248.60</b>	<b>1,394.65</b>	<b>839.29</b>	<b>1,394.65</b>	<b>5,145.33</b>
7	<b>Net Profit After Tax (5-6)</b>	<b>451.35</b>	<b>971.03</b>	<b>574.41</b>	<b>1,565.42</b>	<b>2,236.75</b>	<b>(64,416.51)</b>	<b>2,467.81</b>
	Share of Loss transferred to minority Interest	-	-	-	-	-	(8,060.92)	(409.60)
	<b>Profit/(Loss) after Tax after Minority Interest</b>	<b>451.35</b>	<b>971.03</b>	<b>574.41</b>	<b>1,565.42</b>	<b>2,236.75</b>	<b>(72,477.43)</b>	<b>2,058.21</b>
	Share of Profit or Loss from Associated Companies	-	-	-	-	-	(0.15)	(3.63)
	<b>Profit/(Loss) after Tax after Share of Minority Interest &amp; Associated Companies</b>	<b>451.35</b>	<b>971.03</b>	<b>574.41</b>	<b>1,565.42</b>	<b>2,236.75</b>	<b>(72,477.58)</b>	<b>2,054.58</b>
8	<b>Other Comprehensive Income</b>							
		-	-	(11.00)	186.30	(293.10)	6.67	(271.45)
9	<b>Total Comprehensive Income (7+8)</b>	<b>451.35</b>	<b>971.03</b>	<b>563.41</b>	<b>1,751.72</b>	<b>1,943.65</b>	<b>(72,470.92)</b>	<b>1,783.12</b>
10	Paid up equity share capital (Face Value of Rs.1/- each)	737.95	737.95	737.95	737.95	737.95	737.95	737.95
11	Other Equity	-	-	-	77,576.10	75,845.11	(82,931.00)	(29,631.09)
12	<b>(I) Earning per share of Re.1/- each (not annualised)</b>							
	(a) Basic	0.61	1.32	0.76	2.37	2.63	(98.21)	2.42
	(b) Diluted	0.61	1.32	0.76	2.37	2.63	(98.21)	2.42
	<b>See accompanying notes to the financial results</b>							



**NOTES:**

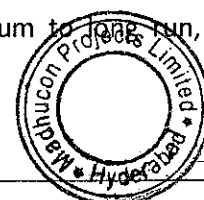
1. The above results are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The results for the previous period have been restated as per Ind AS and Comparable on like to like basis.

Rs. In Lacs		
<b>MPL STANDALONE PROFIT RECONCILIATION FY 2015-16</b>		
Particulars	RECONCILIATION	
	PROFIT	
	Quarter ended 31.03.2016	Year ended 31.03.2016
<b>Net Profit/ Equity under previous GAAP</b>	<b>878.87</b>	<b>2,533.98</b>
Expected credit loss on fair valuation of financial assets	(311.70)	(311.70)
Interest rate apportionment on Effective Interest Rate Method	(3.76)	(126.85)
Re Classification of Employee Defined Benefit Obligation	11.00	(9.60)
Proposed Dividend	-	-
Deferred taxes	-	(151.78)
<b>Net Profit/ Equity under Ind AS</b>	<b>574.41</b>	<b>1,934.05</b>
Less: Other Comprehensive Income	(11.00)	9.60
<b>Total comprehensive Income under Ind AS</b>	<b>563.41</b>	<b>1,943.65</b>

Statement of Chages to Equity					
STANDALONE					
Particulars	General reserve	Profit & loss A/C	Share Premium A/C	Foreign Currency fluctutai on Reserve	Total
Opening balance as at 01.04.2015	46,32,96,229	3,99,55,42,407	2,93,13,07,412	-	7,39,01,46,048
Profit for the year	-	19,43,65,030	-	-	19,43,65,030
Transfer to Reserves	2,53,39,847	(2,53,39,847)	-	-	-
Closing Balance as on 31st March 2016	48,86,36,076	4,16,45,67,687	2,93,13,07,412	-	7,58,45,11,175
Profit for the year	-	17,51,71,781	-	-	17,51,71,781
Transfer to Reserves	1,75,17,178	(1,75,17,178)	-	-	-
Other Movements	-	(20,72,881)	-	-	(20,72,881)
Closing Balance as on 31st March 2017	50,61,53,254	4,32,01,49,409	2,93,13,07,412	-	7,75,76,10,075

The company has reported the Audited financial results of standalone and consolidated as per Indian Accounting standard (Ind As) read with SEBI circular dated 05.July.2016. These financials were reviewed by the Audit committee in the meeting held on 30.May.2017 and approved by the board of directors of the company at the adjourned meeting held on 03.June.2017.

2. 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 some of these companies, net worth was fully or substantially eroded. Taking into account the management's internal assessment and initiatives to be implemented to improve the profitability in the medium to long run, the



management of the company is of the view that carrying value of the investments and loans and advances are realizable at the value stated in the books.

3. In relation to 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. 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 that court. Taking in to account the constitution of and visit made by cabinet subcommittee of Telangana Government, management internal assessment and legal opinion obtained, management of the company is confident in succeeding the case and financials are prepared on going concern basis.

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 for the reasons stated.

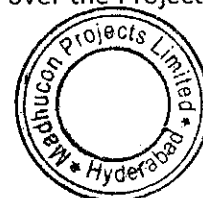
According to the books of accounts, the closing balance as at March 31, 2017 with respect to Nama Investments Limited and NNR Investments Limited are Rs.4189.34 Lakhs and Rs.511.59 Lakhs respectively.

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

6. Rajauli - Bakhtiyarpur Project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31.03.2017 Rs 81539853 instead of writing-off, has been accounted as claims receivable under the head "other Current Assets.

7. As per the books of account, EPC work executed up to March 31, 2017 in Ranchi Expressways Limited ('REL'), a subsidiary company is Rs.78517.83 lakhs whereas the work executed as certified by lender's independent engineer up to March 31, 2017 is Rs. 73503.38 lakhs resulting a difference of Rs.5014.44 lakhs.

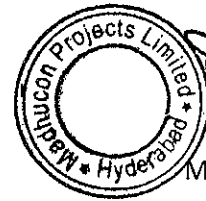
8. "Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a subsidiary to the Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to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



As per the Agreement, NHAI failed to hand over 80% land within six months of the Agreement. They have failed to do so, because of which company filed claims. Reacting to that NHAI terminated the Concession Agreement on 29.10.2013 though NHAI failed to issue ROW and further confirmed vide its letter dated 27 th August,2014. Company has preferred a claim on NHAI for an amount of Rs.1610.07 Crores towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges, and consultants fees etc. On this Project by the Company and the EPC Contractor. An Arbitral Tribunal was constituted on 27.01.2017 for adjudicating the Claims. The Arbitral proceedings commenced on 02.03.2017.

9. The figures of the previous period have been re-arranged / regrouped wherever necessary.

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



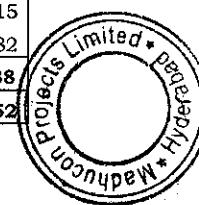
**N Seethaiah**  
Managing Director  
DIN: 00784491

Date: 03.06.2017  
Hyderabad

**Madhucon Projects Limited**  
Statement of Assets and Liabilities Standalone and Consolidated

(Rs. in Lakhs)

S. No.	Particulars	Standalone		Consolidated	
		Figures as at the end of 2016-17	Figures as at the end of 2015-16	Figures as at the end of 2016-17	Figures as at the end of 2015-16
1	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	5,478.85	5,502.92	342,771.11	369,457.00
	Capital Work in Progress	-	-	15,036.77	15,069.54
	Intangible Assets	-	-	136,332.91	159,456.88
	Lease Receivables	-	-	84,231.89	57,989.64
	Investment Properties	-	-	38.77	61.46
	(b) Financial Assets				
	(i) Investments	177,181.38	172,430.38	-	-
	(ii) Trade receivables	3,050.52	3,261.04	2,434.98	2,735.10
	(iii) Loans	13,615.81	64,843.84	3,833.67	3,483.82
	(iv) Others Financial Assets	13,139.22	8,934.38	11,545.34	4,002.50
	(c) Deferred Tax Asset	-	-	-	1,873.28
	(d) Other non-current assets	24,640.64	21,000.31	153,319.41	89,342.28
	<b>Sub-total Non-current assets</b>	<b>237,106.42</b>	<b>275,972.86</b>	<b>749,544.84</b>	<b>703,471.50</b>
2	<b>Current assets</b>				
	(a) Inventories	3,938.39	3,607.75	6,530.40	11,958.72
	(b) Financial Assets				
	(i) Investments	-	-	57.51	55.65
	(ii) Trade receivables	13,592.38	27,936.19	21,028.25	40,266.69
	(iii) Cash and cash equivalents	1,746.59	2,115.39	114.13	376.24
	(iv) Bank balances other than (iii) above	518.53	460.38	7,669.44	15,266.77
	(v) Loans	144.85	137.20	144.85	17,534.53
	(vi) Others Financial Assets	4,100.39	5,788.71	26,968.07	17,833.68
	(c) Current tax asset (net)	1,619.35	1,006.48	1,724.42	1,097.31
	(d) Other current assets	13,416.45	10,957.99	19,580.78	37,698.43
	<b>Sub-total Current assets</b>	<b>39,076.94</b>	<b>52,010.09</b>	<b>83,817.84</b>	<b>142,088.02</b>
	<b>Total Assets</b>	<b>276,183.36</b>	<b>327,982.95</b>	<b>833,362.68</b>	<b>845,559.52</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	(a) Equity Share capital	740.32	740.32	740.32	740.32
	(b) Other Equity	77,576.10	75,845.11	(82,921.27)	(29,624.99)
	Less: Profit or Loss from Associates	-	-	9.73	6.10
	<b>Sub-total Other Equity</b>	<b>77,576.10</b>	<b>75,845.11</b>	<b>(82,931.00)</b>	<b>(29,631.09)</b>
	<b>Minority Interest</b>	-	-	11,148.34	16,484.66
	<b>Sub-total Equity</b>	<b>78,316.42</b>	<b>76,585.43</b>	<b>(71,042.34)</b>	<b>(12,406.11)</b>
	<b>LIABILITIES</b>				
1	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	2,465.23	2,850.75	481,749.39	456,403.24
	(ii) Trade payables	6,758.86	4,027.20	8,873.81	10,914.39
	(iii) Other financial liabilities	7,894.13	7,545.34	1,214.22	7,545.34
	(b) Provisions	146.27	140.60	7,199.16	12,928.28
	(c) Deferred tax liabilities (Net)	129.65	151.78	134.68	156.81
	(d) Other non-current liabilities	14,907.29	35,098.23	4,856.89	1,694.20
	<b>Sub-total Non-current liabilities</b>	<b>32,301.41</b>	<b>49,813.89</b>	<b>504,028.16</b>	<b>489,642.24</b>
2	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	53,789.41	50,091.47	147,537.55	183,651.73
	(ii) Trade payables	42,891.27	83,813.31	47,111.19	86,474.36
	(iii) Other financial liabilities	16,588.75	27,953.81	113,854.91	44,624.64
	(iv) Employee Benefit Obligations	-	-	247.85	230.83
	(b) Other current liabilities	48,439.03	25,390.88	64,292.51	23,309.85
	(c) Provisions	2,553.62	13,013.46	22,016.05	25,686.15
	(d) Current tax liabilities (net)	1,303.43	1,320.68	5,316.80	4,345.82
	<b>Sub-total Current liabilities</b>	<b>165,565.52</b>	<b>201,583.62</b>	<b>400,376.87</b>	<b>368,323.38</b>
	<b>Total Equity and Liabilities</b>	<b>276,183.36</b>	<b>327,982.95</b>	<b>833,362.68</b>	<b>845,559.52</b>




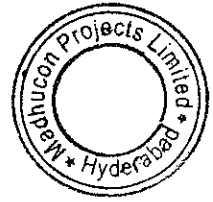


**DECLARATION PURSUANT TO REGULATION 52(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

We, Madhucon Projects Limited, a company within the provisions of the Companies Act, 2013, do hereby state and declare that the Auditors Report on the Standalone Financial Statements for the year ended March 31, 2017 is with an unmodified opinion.

Yours faithfully,  
For Madhucon Projects Limited

  
Bh. Sai Viswanath  
FCS: 8564  
Company Secretary



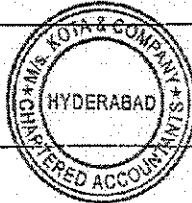
Date: 03<sup>rd</sup> June, 2017  
Place: Hyderabad

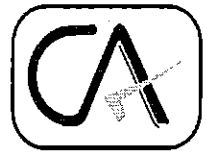


**ANNEXURE I**

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

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs in lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
1.	Turnover / Total income	-NIL-	Not Ascertainable (Refer below)
2.	Total Expenditure	68.70	Not Ascertainable (Refer below)-
3.	Net Profit/(Loss)	(68.70)	Not Ascertainable (Refer below)-
4.	Earnings Per Share	-----	-----
5.	Total Assets	79651.92	Not Ascertainable (Refer below)-
6.	Total Liabilities	59094.01	Not Ascertainable (Refer below)-
7.	Net Worth	20557.90	Not Ascertainable (Refer below)-
8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
<b>Audit Qualification (each audit qualification separately):</b>			
<p>a. <b>Details of Audit Qualification:</b></p> <p>I) Due to termination of the project allotted by National Highway Authority of India NHA1 to Barasat- Krishnagar Expressways Limited ('BKEL'), which is a subsidiary to the Company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to March 31, 2017 Rs.56992.79 lakhs instead of writing-off, has been accounted as NHA1 claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets Rs.56992.79 lakhs and understatement of loss for the year by Rs.3958.31 lakhs and cumulative loss by Rs.56992.79 lakhs.</p> <p>II) As the project of the Rajouli -Bhaktiyarpur Expressways Limited ('RBEL'), which is a subsidiary to the Company has been foreclosed with mutual consent, cost incurred on the project up to March 31, 2017 Rs.815.40 lakhs instead of writing-off, has been accounted as claims receivables under the head "Other Current Assets" which is in contravention of the provisions of Accounts Standard 37 (provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of current assets Rs.815.40 lakhs and understatement of cumulative loss by the same amount.</p>			
b. <b>Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
c. <b>Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing			
d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> ---NIL---			
e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> The termination of the Concession Agreement and pending settlement of the claim by NHA1 till date indicate the existence of a material uncertainty that cast significant doubt the ability of Vijayawada-Machilipatnam Expressways Limited ('VMEL'), which is a subsidiary to the Company to continue as going concern.			
(I) <b>Management's estimation on the impact of audit qualification:</b> -- No further financial impact is envisaged by the company--			
(ii) <b>If management is unable to estimate the impact, reasons for the same:</b> As the Matter of Vijayawada Machilipatnam express ways ltd (VMEL) claims are under arbitral proceedings and impact of which is dependent on the outcome of the proceedings, management is unable to estimate the same at this point.			
(iii) <b>Auditors' Comments on (i) or (ii) above:</b> --Self Explanatory--			

III.	<u>Signatories:</u>	
	<ul style="list-style-type: none"> <li>CEO/Managing Director</li> </ul> <p>N. Seethaiah Managing Director.</p>	
	<ul style="list-style-type: none"> <li>CFO/GM-F&amp;A</li> </ul> <p>K. Venkateswarlu. G.M. - F&amp;A</p>	
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul> <p>Ch. Laxmi Kumari Chairperson Audit Committee.</p>	
	<ul style="list-style-type: none"> <li>Statutory Auditor</li> </ul> <p>K. V. Srinivas Reddy</p>	
	Place: HYDERABAD	
	Date: 03/06/2017.	



To

The Board of Directors of Madhucon Projects Limited

1. We have audited the accompanying standalone financial results of Madhucon Projects Limited ('the Company') for the year ended March 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR/CFD/FAC/62/2016 dated July 5, 2016. The figures for the quarter ended March 31, 2017 as reported in these standalone financial results which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter were only been reviewed and were not subjected to audit.

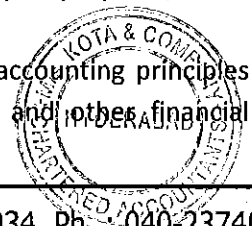
This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Indian Accounting Standards ("Ind AS") financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial results based on our audit of the standalone financial statements for the year ended March 31, 2017 and our review of standalone financial results for the nine months period ended December 31, 2016.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that our audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - i. is presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - ii. give a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information for the year ended March 31, 2017.



**Hyderabad Office :** 331, Arora Colony - 2, Road No. 3, Banjara Hills, Hyderabad - 500 034. Ph. : 040-23740703

**Khammam Office :** 6-2-42, Sri Krishna Nagar, Khammam - 507 002. Ph. : 08742 - 224246

**Kothagudem Office :** 5-14-100, Coolie Lane, Kothagudem - 507 101. Ph. : 08744 - 242387

**Guntur Office :** H. No. 5-87-111, Main Road, Lakshmipuram, Guntur - 522 007

E-mail : kotaandcompany@gmail.com

4. The Statement includes the results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

5. Without qualifying our report, we draw attention to:

a. Note No. 2 to the financial results, in relation to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries listed in that note, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management's internal assessment and initiatives to be implemented to improve the profitability in the medium to long run, the management of the company is of the view that carrying value of the investments and loans and advances are realizable at the value stated in the books.

As per the books of accounts and according to information and explanations given to us, closing balances against these investments and loans and advances in the above subsidiaries as at March 31, 2017 are aggregating to Rs.146426.83 lakhs.

b. Note No. 3 to the financial results, in relation to 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. 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 that court. Taking in to account the constitution of and visit made by cabinet subcommittee of Telangana Government, management internal assessment and legal opinion obtained, management of the company is confident in succeeding the case and carrying values of investments in and loans sanctioned to MMMPL are realizable at the values stated in the books of accounts.

According to the books of accounts and information and explanations given to us, the investment and balance of loan as at March 31, 2017 was Rs.3502.00 Lakhs and 134.09 Lakhs.

c. Note No. 4 to the financial results indicates that 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 for the reasons stated in that note.

According to the books of accounts and information and explanations given to us, the closing balance as at March 31, 2017 with respect to Nama Investments Limited and NNR Investments Limited are Rs.4189.34 Lakhs and Rs.511.59 Lakhs respectively.

For Kota & Company  
Chartered Accountants

ICAI Firm Regn. No.:0119825

*K.S.R.K. Prasad*

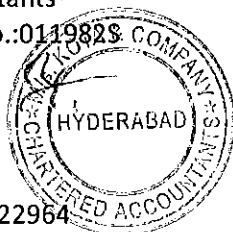
K.S.R.K. Prasad

Partner

Membership No.022964

Place : Hyderabad

Date : June 03, 2017





To  
The Board of Directors of Madhucon Projects Limited

1. We have audited the accompanying consolidated financial results ('the Statement') of Madhucon Projects Limited ('the Company'), its subsidiaries and associates (the Company, its subsidiaries and associates collectively referred to as 'the Group') for the year ended March 31, 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR3CFD3FAC/62/2016 dated July 5,2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Consolidated Statement based on our audit of such consolidated financial statements for the year ended March 31, 2017.

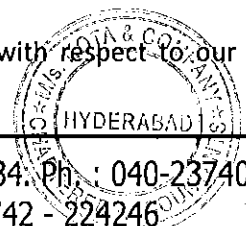
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that our audit evidence obtained by us and by other auditors in terms of their reports referred to in para 3 below, is sufficient and appropriate to provide a basis for our opinion.

3. We did not audit the financial statements and other financial information of ten subsidiaries included in the Statement, whose financial statements together comprise total assets of Rs.654655.44 lakhs as at March 31, 2017, total revenue of Rs.67300.52 lakhs, total loss (net) of Rs.15638.44 lakhs and total comprehensive Income (net) of Rs.15640.23 Lakhs for the year then ended. The financial statements and other financial information including comparative figures of earlier years of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion in the consolidated financial results, to the extent they have been derived from such financial statements is solely based on the reports of the other auditors.

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.



4. The independent auditors of certain subsidiaries have qualified their audit report on the financial statements for the year ended March 31, 2017 reproduced by us as under:

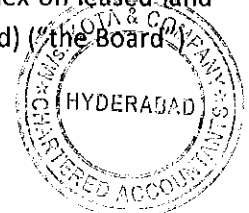
- i) Due to termination of the project allotted by National Highway Authority of India NHAI to Barasat-Krishnagar Expressways Limited ('BKEL'), which is a subsidiary to the Company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to March 31, 2017 Rs.56992.79 lakhs instead of writing-off, has been accounted as NHAI claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets Rs.56992.79 lakhs and understatement of loss for the year by Rs. 3958.31 lakhs and cumulative loss by Rs. 56992.79 lakhs.
- ii) As the project of the Rajouli-Bhaktiyarpur Expressways Limited ('RBEL'), which is a subsidiary to the Company has been foreclosed with mutual consent, cost incurred on the project up to March 31, 2017 Rs.815.40 lakhs instead of writing-off, has been accounted as claims receivables under the head "Other Current Assets" which is in contravention of the provisions of Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets Rs.815.40 lakhs and understatement of cumulative loss by the same amount.
- iii) The termination of the Concession Agreement and pending settlement of the claim by NHAI till date indicate the existence of a material uncertainty that cast significant doubt about the ability of Vijayawada-Machilipatnam Expressways Limited ('VMEL'), which is a subsidiary to the Company to continue as going concern.

5. 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 of the Group referred to in para 3 above and except for the possible effects of the matters described in para 4 above, the year to date consolidated financial statement:

- i) includes the results of the entities listed in Annexure;
- ii) is presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
- iii) give a true and fair view in conformity with the afore said Ind AS and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information for the year ended March 31, 2017.

6. Without qualifying our report we draw attention to:

- i) Note No. 3 to the financial results, in relation to 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. 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 that court. Taking in to account the constitution of and visit made by cabinet subcommittee of Telangana Government, management internal assessment and legal opinion obtained, management of the company is confident in succeeding the case and financials are prepared on going concern basis.

- ii) Note No. 5 to the Statement, "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 vides 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".

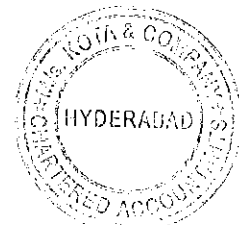
As the borrowings from secured lenders have been declared as Non-performing asset by the lender, interest on related borrowings have not been accounted for.

- iii) Note No. 6 to the Statement, that the Project of Rajauli - Bakhtiyarpur Expressways Limited ('RBEL'), a subsidiary company has been foreclosed with mutual consent, therefore, going concern assumption is not appropriate and financial statements of RBEL have been drawn accordingly.

- iv) Note No. 7 to the Statement, that as per the books of account, EPC work executed up to March 31, 2017 in Ranchi Expressways Limited ('REL'), a subsidiary company is Rs.78517.83 lakhs whereas the work executed as certified by lender's independent engineer up to March 31, 2017 is Rs. 73503.38 lakhs resulting a difference of Rs.5014.44 lakhs.

- v) Note No.8 to the Statement, "Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a subsidiary to the Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Km.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT (Toll) Basis, under NHDP Phase III . This project was awarded by National Highway Authority of India (NHAI). The Company was to hand over the Project Highway to NHAI on the expiry of the Concession Period of 20 years.

As per the Agreement, NHAI failed to hand over 80% land within six months of the Agreement. They have failed to do so, because of which company filed claims. Reacting to that NHAI terminated the Concession Agreement on 29.10.2013 though NHAI failed to issue ROW and further confirmed vide its letter dated 27 th August, 2014. Company has preferred a claim on NHAI for an amount of Rs.1610.07 Crores towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges, and consultants fees etc. On this Project by the Company and the EPC Contractor. An Arbitral Tribunal was constituted on 27.01.2017 for adjudicating the Claims. The Arbitral proceedings commenced on 02.03.2017.

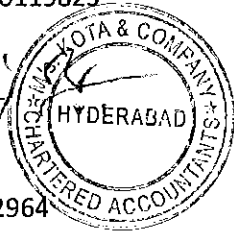


In view of the above circumstances, the Project was terminated; Expenses incurred on the Project have been charged-off to the Statement of Profit and Loss. The Company is not confident of discharging it's liabilities in the normal course of business from the available funds.

Our opinion is not modified in respect of these matters.

For Kota & Company  
Chartered Accountants  
ICAI Firm Regn. No.:011982S

*K. V. S. R.*



Partner  
Membership No.022964  
Place : Hyderabad  
Date : June 03, 2017



**ANNEXURE**

<b>S. No.</b>	<b>Name of the Company</b>
<b>Subsidiaries</b>	
1	Madhucon Infra Limited
2	Madhucon Toll Highways Limited
3	Simhapuri Energy Limited
4	TN(DK) Expressways Limited
5	Trichy-Tanjavur Expressways Limited
6	Madhurai-Tuticorin Expressways Limited
7	Chhapra-Hajipur Expressways Limited
8	Ranchi Expressways Limited
9	Barasat-Krishnagar Expressways Limited
10	Rajouli-Bhaktiyapur Expressways Limited
11	Vijayawada-Machilipatnam Expressways Limited
12	Nama Hotels Private Limited
13	Madhucon Mega Mall Private Limited
14	Madhucon Heights Limited
15	PT Madhucon Indonesia
<b>Associates</b>	
16	Madhucon Properties Limited

