



Ref.: MPL/HYD/SE/33rd AR/2023-24

Date: 04-09-2023

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

**Sub.: Submission of 33rd Annual Report FY 2022-23 under Regulation 30 and 34 (1) of the SEBI (LODR) Regulations, 2015.**

Pursuant to the requirements of Regulation 30 & 34 of the SEBI (LODR) Regulations 2015, we wish to inform you that the 33rd Annual General Meeting (AGM) of the Members of the Company will be held on **Friday, 29<sup>th</sup> September, 2023 at 3.00 P.M. ("IST")** at the Registered Office of the Company, Khammam.

Pursuant to the requirements of **Regulation 34(1)** of the SEBI (LODR) Regulations, we submit herewith **33rd Annual Report for the Financial Year 2022-23** for your reference. The same is also available on the Company's website.

As intimated earlier to your good offices, pursuant to Regulation 42 of the SEBI LODR Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 23<sup>rd</sup> September, 2023 to Friday, 29<sup>th</sup> September, 2023 (both days inclusive)** for the purpose of the 33rd AGM.

Kindly take them on record.

Thanking you,  
**For Madhucon Projects Limited**

(D. Malla Reddy)  
Company Secretary & Compliance Officer

Enclosed: 33rd Annual Report FY 2022-23





# MADHUCON PROJECTS LIMITED

(CIN:L74210TG1990PLC011114)

AN ISO-9001 : 2008 COMPANY

**33rd Annual Report  
2022 - 2023**



## Corporate Information

### Board of Directors

Mr. RamadasKasameni	Chairman and Independent Director
Mr. N. Seethaiah	Managing Director
Mr. Mohammad Shafi	Joint Managing Director
Mr. P.Madhava Rao	Independent Director
Mrs. Ch.Lakshmi Kumari	Woman-Independent Director
Mr. Madhu Malampati	Non-Executive Director (up to 11-11-2022)
Mr. K. Venkateswarlu	Director cum CFO (w.e.f.11-11-2022)
Mrs. Geeta Battula	Independent Director (w.e.f.28-06-2023)
Mr. Samba Siva Rao Jasty	Director-Finance & Accounts (w.e.f.28-06-2023)

### Key Managerial Personnel

Mr. K. Venkateswarlu	Chief Financial Officer
Mr. D. Malli Reddy	Company Secretary

### Registered Office

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

### Corporate Office

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

### Statutory Auditors

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

### Registrar & Share transfer Agents

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

### Bankers

Axis Bank Limited,  
Canara Bank,  
ICICI Bank Limited,  
Punjab National Bank

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To  
The Members,  
Madhucon Projects Limited

**NOTICE** is hereby given that the 33rd Annual General Meeting of the Members of Madhucon Projects Limited will be held on **Friday, 29th September, 2023 at 03:00 P.M (IST)** at the Registered Office of the Company situated at 1-7-70, Madhu Complex, Jubilipura, Khammam-507003 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) The Audited Standalone Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors' thereon; and
  - b) The Audited Consolidated Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2023 together with the report of the Auditors thereon.
2. To appoint a director in place of Mr. Seethaiah Nama (DIN: 00784491) who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. Ratification of the appointment of Mr. K. Venkateswarlu (DIN 09713108) as a "Director Cum CFO" of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015 and such other approvals as may be required if any, consent of the Board of Directors be and is hereby accorded for appointment of Mr. K. Venkateswarlu (DIN 09713108) as an additional director in the position of "Director cum CFO" of the Company w.e.f 11th November, 2022 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 and he will be liable retire by rotation."

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to take all such necessary action to give effect to this resolution and to file requisite Form DIR-12 to Registrar of Companies, Hyderabad and to do all such necessary acts, deeds and compliances as may be required."

4. Ratification of the appointment of Mr. Sambasiva Rao Jasty (DIN: 09526475) as a "Director-Finance & Accounts" of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015 and recommendation of the nomination and remuneration committee and such other approvals as may be required if any, consent of the Board of Directors be and is hereby accorded for appointment of Mr. Sambasiva Rao Jasty (DIN: 09526475) as additional director in the position of "Director-Finance &Accounts" of the Company w.e.f. 28th June, 2023 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 and he will be liable retire by rotation."

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to take all such necessary action to give effect to this resolution and to file requisite Form DIR-12 to MCA/Registrar of Companies, Hyderabad and compliances as may be required."

5. Ratification of the appointment of Mrs. Geeta Battula (DIN 10205129) as an "Independent Director" of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Geeta Battula (DIN: 10205129), who was appointed as an Additional Director in the capacity of an Independent Director with effect from June 28, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) years till June 27, 2028 and that she shall not be liable to retire by rotation.

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to take all such necessary action to give effect to this resolution and to



file requisite Form DIR-12 to MCA/Registrar of Companies, Hyderabad and compliances as may be required.”

6. To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31st March, 2024.

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs 1,50,000.00 (Rupees One Lakh fifty Thousand only) inclusive of all taxes payable, M/s AS RAO & CO., Cost Accountants (Firm Registration No. 000328), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending 31st March, 2024, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

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

“**RESOLVED FURTHER THAT** the total interest provisions on Rs. 525.26 Cr. and Rs. 8.23 Cr. Working Capital Loans and Term Loan respectively aggregating to Rs. 533.49 Cr. for the full financial year 2022-23 be not applied and provided for in the books of accounts of the Company on the basis that the Company has submitted the One Time Settlement proposal to all Working Capital Banks and Financial Institutions. Company is working for the approval, with required improvements, modifications, if any, as may be mutually agreed upon by and between the Company and Working Capital Banks / Financial Institutions.”

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

**D. Mallu Reddy  
Company Secretary**

Place: Hyderabad  
Date: 12-08-2023

**NOTES :**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary instructions is given in the subsequent paragraphs.
3. The Company has appointed Mrs. Vendra Madhumita, Practicing Company Secretary (Membership No. ACS 52965) (PCS No. 19626), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
4. A member entitled to attend and vote at the Annual General Meeting (“Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of him/her-self and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy form is attached herein. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.
5. In line with the MCA Circulars, the notice of the 33rd AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2022-23 will be available on the Company's website at <https://www.madhucon.com/investors/annual-reports/>, websites of the Stock Exchanges i.e. BSE Limited and NSE Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFinTech at <https://evoting.kfintech.com>.
6. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, (Unit Madhucon Projects Limited) Selenium Tower B, Plot No. 91 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.



7. Brief profile of the Directors proposed to be appointed / re-appointed is given as under as per the provisions of Regulation 36(3) of the Listing Regulations.
8. Members holding shares in physical mode are also requested to register / update their e-mail address with the Company / KFinTech for receiving all communications from the Company electronically.
9. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to Registrar and Share Transfer Agent, KFin Technologies Private Limited (Unit: Madhucon Projects Limited), Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2023 to Friday 29th September, 2023 (both days inclusive).
11. Members are requested to note that, dividends F.Y. 2015-16 if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transfer to the Investor Education and Protection Fund ("IEPF") on due date in February, 2024.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before Friday, 22nd September, 2023 through email to [cs@madhucon.com](mailto:cs@madhucon.com). The same will be replied by the Company suitably.

Name of Director	Mr. K. Venkateswarlu	Mr. J.Samba Siva Rao	Mrs. Geeta Battula
Date of Birth	29-04-1959	10-07-1974	25-01-1970
Nationality	Indian	Indian Indian	
Date of appointment	11-11-2022	28-06-2023	28-06-2023
Qualifications	Chartered Accountant	ICWA B.A. & B.L.	
Expertise in Functional Area Business	Accounts & Financial Professional	Finance & Accounts Professional	An Advocate, Legal Professional
Shares held in the Company	NIL	NIL	NIL
List of Directorships held in other Companies	NIL	NIL	NIL
Chairman/Member Committee of Boards of other Companies in which he/she is a Director	NIL	NIL	NIL



## ANNEXURE TO NOTICE:

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

The following explanatory statement sets out all material facts relating to the special business mentioned under Item Nos. 3 to 7 of the accompanying Notice.

**Item No. 3:** Ratification of the appointment of Mr. K. Venkateswarlu (DIN 09713108) as a "Director Cum CFO" of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board, on November 11, 2022 appointed Mr. K. Venkateswarlu as an Additional Director in the capacity of Director Cum CFO of the Company with effect from November 11, 2022 subject to the approval of the shareholders through an ordinary resolution.

Based on the recommendation of the nomination and remuneration committee, the Board, at meeting held on November 11, 2022 has recommended the appointment of Mr. K. Venkateswarlu as Director Cum CFO, shall liable to retire by rotation with effect from November 11, 2022. The Company has received consent letter and also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mr. K. Venkateswarlu to the office of Director Cum CFO. In the opinion of the Board and based on its evaluation, Mr. K. Venkateswarlu fulfils the conditions specified under the Companies Act, 2013. The resolution seeks the approval of members for the appointment of Mr. K. Venkateswarlu as Director Cum CFO of the Company pursuant to Sections 149, 152 of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall be liable to retire by rotation.

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

The Board recommends the Ordinary Resolution set forth in Item no. 3 for the approval of members.

**Item No. 4:** Ratification of the appointment of Mr. Sambasiva Rao Jasty (DIN: 09526475) as a "Director-Finance & Accounts" of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board, on June 28, 2023 appointed Mr. Sambasiva Rao Jasty (DIN: 09526475) as an Additional Director in the capacity of Director-Finance & Accounts of the Company with effect from June 28, 2023 subject to the approval of the shareholders through an ordinary resolution.

Based on the recommendation of the nomination and remuneration committee, the Board, at meeting held on June 28, 2023 has recommended the appointment of Mr.

Sambasiva Rao Jasty as Director-Finance & Accounts, shall liable to retire by rotation with effect from June 28, 2023. The Company has received consent letter and also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mr. Sambasiva Rao Jasty to the office of Director-Finance & Accounts. In the opinion of the Board and based on its evaluation, Mr. Sambasiva Rao Jasty fulfils the conditions specified under the Companies Act, 2013. The resolution seeks the approval of members for the appointment of Mr. Sambasiva Rao Jasty as Director-Finance & Accounts of the Company pursuant to Sections 149, 152 of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall be liable to retire by rotation.

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

The Board recommends the Ordinary Resolution set forth in Item no. 4 for the approval of members.

**Item No.5:** Ratification of the appointment of Mrs. Geeta Battula (DIN 10205129) as an "Independent Director" of the Company:

Pursuant to Section 161 of the Companies Act, 2013, the Board, on June 28, 2023, appointed Mrs. Geeta Battula as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (Five) years with effect from June 28, 2023 to June 27, 2028 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received the following from Mrs. Geeta Battula:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (the Appointment Rules);
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- (v) A declaration that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.



The Company has received a notice in writing by a member proposing her candidature under Section 160 of the Act.

The Nomination and Remuneration Committee (NRC) had finalized the desired attributes for the selection of the independent director(s). Based on those attributes, the NRC recommended the candidature of Mrs. Geeta Battula. In the opinion of the Board, Mrs. Geeta Battula fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mrs. Geeta Battula skills, background and experience are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as an Independent Director. The Board was satisfied that the appointment is justified:

The resolution seeks the approval of members for the appointment of Mrs. Geeta Battula as an Independent Director of the Company for a term of 5 (Five) years effective June 28, 2023 to June 27, 2028 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and she shall not be liable to retire by rotation. In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought for the appointment of Mrs. Geeta Battula as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Mrs. Geeta Battula, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 5.

**Item No. 6:** To appoint and approve the remuneration of the Cost Auditor for the F.Y. ending on 31st March, 2024:

Board of Directors of the Company, on the recommendation of Audit Committee approved the appointment and remuneration of M/s AS RAO & CO., Cost Accountants (Firm Registration No. 000326) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2024. In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration of Cost Auditor for the financial year ending 31st March, 2024, as set out in the Ordinary Resolution Item No. 6.

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

**Item No. 7:** Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans of the Company:

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

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

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

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

Place: Hyderabad  
Date: 12-08-2023

**D. Mallu Reddy  
Company Secretary**

#### INSTRUCTIONS FOR REMOTE E-VOTING:

1. Use the following URL for e-voting from KFintech website: <https://evoting.kfintech.com>.
2. Members of the Company holding shares either in physical form or in dematerialized form, as on 22nd September, 2023, the cutoff date, may cast their vote electronically.
3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No /DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, use your existing User ID and password for casting your votes.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character (@, #, \$ etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e., Madhucon Projects Limited.
8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
9. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.





10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
11. The Portal will open for voting from 9.00 a.m. on Tuesday, 26th September, 2023 and closes at 5.00 p.m. on Thursday, 28th September, 2023 with E-Voting Sequence number (EVSN) – 7533).
12. Members of the Company who have purchased their shares after the dispatch of the Notice but before the cutoff date (22nd September, 2023) may contact KFintech at Tel No. 1800 309 4001 (toll free) to obtain login id and password or send a request to [inward\\_ris@kfintech.com](mailto:inward_ris@kfintech.com).
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFintech at Tel No. 1800 309 4001 (toll free).
14. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.
15. The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.madhucon.com](http://www.madhucon.com) and the website of the Registrar and Share Transfer Agent viz., [evoting@kfintech.com](mailto:evoting@kfintech.com) immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

#### Procedure to login through websites of Depositories:

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



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

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



## Directors' Report

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2023.

### 1. FINANCIAL SUMMARY

( ₹s.in Lakhs)

S. No.	Particulars	Standalone	Year ended	Consolidated	Year ended
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:				
	(a) Net Sales' Income from Operations	90080.64	70614.85	11623046	94814.79
	(b) Other income	13404.78	1656.95	90153.51	11745.99
	Total Income	103485.42	72271.80	206383.97	106560.78
2	Expenses:				
	(a) Cost of Materials Consumed	77911.03	51899.33	103975.48	73573.07
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	-	934.24
	(c) Employee benefits expense	1839.41	1679.18	2996.83	2920.22
	(d) Other expenses	24411.64	19308.89	35419.63	23730.70
	(e) Financial Costs	202.97	417.54	4712.18	3137.05
	(f) Depreciation and amortization expense	581.96	478.06	79893.93	14094.98
	Total Expenses	105047.00	73782.99	226098.25	118390.21
3	Profit/(Loss) Before Exceptional Items (1-2)	(1561.58)	(1511.19)	(19714.28)	(11829.43)
4	Exceptional Items Share of (Loss) from Associate Co.,				982.39
5	Profit/(Loss) Before Tax (3-4)	(1561.58)	(1511.19)	(19714.28)	(10847.04)
6	Tax Expense				
	a) Current Tax –				-
	b) Income Tax Refund Received			6.91	-
	c) Deferred Tax	(2007.69)	1870.14	(2007.69)	1870.14
	Total Tax (a+b)	(2007.69)	1870.14	(1998.78)	1870.14
7	Net Profit/(Loss) After Tax (5-6)	446.11	(3381.33)	(17715.50)	(12717.18)
	Share of Loss transferred to Non-controlling Interest			(3345.59)	(2082.88)
	Profit/(Loss) after Tax after Non-controlling Interest	446.11	(3381.33)	(14389.91)	(10634.51)
	Share of Profit or Loss from Associated Companies				
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	446.11	(3381.33)	(14389.91)	(10634.51)
8	i. Other Comprehensive Income	43.10	19.45	43.10	19.45
	ii. Amount not re-classifiable to P&L	-	-	-	(1.96)
	Share of Other Comprehensive Income transferred to Non-controlling Interest	-	-	-	-
9	Total Comprehensive Income (7+8)	489.21	(3361.88)	(14328.81)	(10617.02)
10	Paid up equity share capital (Face Value of Rs. 1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	52680.27	52191.06	(192690.36)	(210525.29)
12	(i) Earning per share of Rs. 1/- each (not annualized)				
	(a) Basic	0.60	(4.58)	(19.47)	(14.41)
	(b) Diluted	0.60	(4.58)	(19.47)	(14.41)



## 2. Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2021, the annual return as referred under section 134(3)(a) of the Act for the financial year ended 31<sup>st</sup> March, 2023 is available on the Company website at [www.madhucon.com/investor/Annualreturn](http://www.madhucon.com/investor/Annualreturn).

## 3. Indian Accounting Standards:

The Company has followed Indian Accounting Standards and accounting principles generally accepted in India in preparation of financial statements for the financial year 2022-23.

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

No dividend was declared on equity shares for the year ended 31.03.2023 due to Loss.

## 5. Board Meetings:

The Board met 4 (Four) times during the financial year 2022-2023. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
586	28-05-2022	597	11-08-2022	598	11-11-2022	599	13-02-2023

## 6. Directors' Responsibility Statement:

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

- That in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2023; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- That the Directors have prepared the annual accounts for the year ended 31<sup>st</sup> March 2023 on a "Going Concern" basis.
- That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 7. Adequacy of Internal Financial Control:

The Company has structured and implemented framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5) (a) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2022-23. The Company is continuously monitoring and identified the gaps if any, and implements improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

## 8. Declaration from Independent Directors on Annual Basis:

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

## 9. Nomination and Remuneration Policy:

The Nomination and Remuneration Committee has laid down the policy for Remuneration of Directors, KMP & other Employees and the criteria has been formulated by the Committee for determining qualifications, positive attributes and independence of a Director. The Company's policy on Directors' appointment and remuneration and other matters provided in Section 175(3) of the Act has been disclosed in the Corporate Governance Report.

## 10. Share Capital:

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



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

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

**12. Related Party Transactions:**

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

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

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

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

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

**15. Risk Management:**

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

**16. Corporate Social Responsibility (CSR) Policy:**

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

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

**17. Formal Annual Evaluation:**

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

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

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

**19. Consolidation of Accounts:**

In compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015 and in compliance with the provisions of the Companies Act, 2013 and the Ind AS 28 Investments in Associates and Joint Ventures and Ind AS 110 Consolidated Financial Statements, Your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2023, duly audited by the Statutory Auditors which forms part of the Annual Report. The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time as they have been kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

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

**a) Change in Key Managerial Personnel during the year:**

1. Mr. K. Venkateswarlu was appointed as Director Cum CFO w.e.f. 11<sup>th</sup> November, 2022.

**b) Change in Directors during the year:**

1. Mr. Samba Siva Rao Jasly appointed as Director-Finance & Accounts of the Company w.e.f. 28<sup>th</sup> June, 2023.
2. Mrs. Gesta Bottula appointed as Independent director of the Company w.e.f. 28<sup>th</sup> June, 2023.

**21. CEO and CFO Certification :**

In accordance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Director Cum CFO of the Company have submitted a certificate for the year ended 31st March 2023 to the Board of Directors which forms part of the Annual Report.



**22. Vigil Mechanism / Whistle Blower Policy:**

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

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

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

During the financial year 2022-23, the Company received no complaints on sexual harassment.

**24. Deposits:**

The Company had not accepted or invited any Deposits and consequently no deposit has matured / become due for payment as on 31<sup>st</sup> March 2023.

**25. Audit Committee:**

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

**26. Stakeholders' Relationship Committee:**

The Committee focuses on shareholders' grievances and strengthening of investor relations. The Committee coordinates the services of the Registrars and Share Transfer Agents. There were no complaints pending for redressal as at 31<sup>st</sup> March, 2023.

**27. Statutory Auditors and their Report:**

P. Murali & Co., Chartered Accountants (FRN 007257S) were reappointed as Statutory Auditors of the Company for the period of 4 (Four) Financial Years w.e.f. FY 2022-23 to FY 2025-26 and expressed their willingness to hold the office up to the conclusion of the 36<sup>th</sup> Annual General Meeting was approved by the Shareholders at their 32<sup>nd</sup> Annual General Meeting of the Company, held on 29<sup>th</sup> September, 2022.

**28. Cost Auditors:**

The Board of Directors, on recommendation of Audit Committee appointed AS RAO & CO., Cost Accountants (Registration No. 000326) as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to Works Contracts, Construction of Roads, etc. for financial year commencing on 1<sup>st</sup> April, 2023 and ending on 31<sup>st</sup> March, 2024.

**29. Secretarial Auditors and Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s V. Madhumita and Associates, Company Secretaries (ACS 52065 and CP No.19626) has been appointed as Secretarial Auditors of the Company for the financial year 2023-24 to carry out the Secretarial Audit and issue report thereon. Secretarial Audit report issued for the financial year ended 31<sup>st</sup> March, 2023 by M/s V. Madhumita and Associates, Company Secretaries is annexed to this Report as **ANNEXURE II**.

**30. Listing With Stock Exchanges:**

The Company's securities have been listed with Bombay Stock Exchange (BSE), and National Stock Exchange (NSE). Listing fee has been paid to BSE and NSE within the prescribed time limit as set in Regulation 14 of Listing Regulations for the Financial Years 2022-2023 and 2023-2024.

**31. Particulars of Employees:**

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

**32. Depository System :**

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

**33. Prevention of Insider Trading:**

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

**34. Corporate Governance and Shareholders Information:**

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

**35. Appreciations:**

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

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

Place: Hyderabad

Date: 12-08-2023

(N. Saethaiah)

Managing Director

DIN: 00784491

(Mohammad Shafi)

Whole-time Director

DIN: 07178265

**ANNEXURE**

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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION:**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL**

### MANAGEMENT DISCUSSION & ANALYSIS

### ANNEXURE - I

**I. Industry Structure and Developments:**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. The Government of India's capital expenditure as a percentage of GDP increased from 1.7 per cent in 2014 to nearly 2.9 per cent in 2022-23. The Union Budget 2022-23 continues to give a strong push to infrastructure development by increasing the capital investment outlay by 33% to Rs 10 Lakh Crore - almost three times the outlay in 2019-20.

For a healthy economy, GDP growth is the result of strategic focus on fiscal prudence and comprehensive development driven by a strong push on infrastructure development — particularly the highways infrastructure sector. They play a dominant role in nation's building by creating abundant comprehensive growth opportunities to uplift local communities, provide efficient connectivity for movement of goods, people, and services. In view of this, Under the Union Budget 2023-24, the Government of India has allocated

Rs. 2.70 Lakh Crore to the Ministry of Road Transport and Highways. In the Union Budget of 2023-24, the increase in Budget was a whopping 36% compared to the last year, which will also play a crucial role in the scheme of things with nearly 26% of the capital expenditure earmarked for this sector. These targeted investments will not only create vital physical infrastructure and improve connectivity that will accelerate the movement of passengers and freight, but also create jobs, spur private investments, and provide a cushion against global headwinds. The continuing trend showed a rapid rise in NHs and roads construction with 10,457 kms NHs constructed in FY22 as against 6,061 kms in FY16.

Indian Railways received a capital outlay of Rs 2.40 lakh crore, the highest ever since 2013-14 with funds to accelerate projects like introducing hydrogen-powered wagons and trains, laying of additional tracks, electrification of network, and revamping stations with better amenities for passengers. According to Railway Minister Ashwini Vaishnaw, the first indigenously designed and developed hydrogen-fuelled train will be rolled out by December 2023, and such trains will be operated on Heritage Routes. The allocation for the railways is 48% more than the revised estimate (RE) for the current fiscal and nearly 72% higher than the budget estimate (BE). The maximum increase in allocation is meant for passenger amenities, which include redevelopment of stations. For 2023-24, Rs 13,350 crore has been earmarked for this compared to the RE of Rs 3,824 crore for the current fiscal. Over 1,275 stations are being revamped under the 'Amrit Bharat Station' scheme and the redevelopment of Delhi, Mumbai, and Ahmedabad stations is underway. The second highest increase in allocation has been proposed for railway's rolling stock — trains, locomotives, and wagons. The government has proposed allocation at Rs 37,581 crore, more than double of the RE for rolling stock.

The government is working on a mission to provide first and last-mile connectivity to ports, coal, steel, fertilizer, and food grains sectors. In addition, it has also identified 100 critical transport projects for connectivity and they will be taken up on a priority basis with an investment of Rs 75,000 crore.

The country's first high-speed Regional Rapid Transit System (RRTS) corridor being constructed between Delhi and Meerut got a major boost of Rs 3,596 crore in the Union Budget. The Budget set aside an overall Rs 19,518 crore for all metro rail projects across the country.

Budget 2023 has taken a proactive and integrated view on Logistics, given the goal of the government to lower the cost of logistics from its current 14% of GDP to less than 10%. With coastal shipping being promoted as an energy efficient and lower-cost mode of transport, both for passengers and freight, through PPP mode with viability gap funding along with a focus on freight corridors on roads and track maintenance and doubling for railways, India will soon see a cost-efficient convergence on Logistics. It will be a huge boost to every business on land.

The multimodal solutions as a first mile to last mile connectivity, decreased lead times and costs, will ensure GDP growth and logistics efficiency of goods across the domestic periphery as well as exports. Strong focus and budget allocation to dedicated freight corridors will enable faster on-land transportation of goods to the ports of export, ensuring better delivery time and thus cheaper logistics cost factor. It will provide support for export efficiency that has been ensured through custom-duty tweaks.

The Budget proposed that the government will set up an Urban Infrastructure Development Fund (UIDF), which will make Rs 10,000 crore available to states to create infrastructure in Tier-2 and Tier-3 cities. The government's focus on sanitation is clear from the allocation for 2023-24. While the Centre has proposed at Rs 76,432 crore for the Housing and Urban Affairs Ministry, it has allocated Rs 5,000 crore for Swachh Bharat Mission for the next fiscal — a whopping 250% more than the revised estimate of the current fiscal. The UIDF will be managed by the National Housing Bank and will be used by public agencies to create urban infrastructure in Tier-2 and Tier-3 cities. This is a laudable move as construction of housing and the development of surrounding infrastructure should go hand in hand.

Pradhan Mantri Awas Yojana (PMAY) which includes affordable housing, got a boost with an allocation of Rs 79,000 crore. A rapidly growing country with a large young population needs more homes at affordable price points which would enable more households to become homeowners.

Regional aerial connectivity has got a boost with the government planning to revive old, and unused airstrips across the country. As many as 50 additional airports, heliports, water aerodromes and advanced landing grounds will be revived for improving regional air connectivity. In the last eight years, the number of airports in use has increased from 74 to 147; this is due to the subsidized regional connectivity scheme (RCS) 'Ude Desh Ka Aam Negrak' (UDAN). Domestic air traffic recovery has been among the highest in India globally, post-Covid, and India is now the world's third largest aviation market as over 1.1 crore flyers have taken UDAN flights in the last six years.

Incentivizing states to accelerate capital spending for improving infrastructure, the Centre extended the 50-year interest-free loan scheme by one year for state governments and increased the outlay from Rs 1 lakh crore to Rs 1.3 lakh crore. Certain parts of the outlay will also be linked to projects such as scrapping old government vehicles, reforms in urban planning, housing for police personnel, constructing Unity Malls, children and adolescents' libraries, and digital infrastructure.

The government has put Rs 35,000 crore on the table for transition to green energy as part of India's 2070 'net zero' emission ambition. The fund will be used to support new-age energy solutions ranging from green hydrogen and ammonia, battery storage,





and transmission lines for evacuating renewable power and biofuels such as biogas and ethanol (petrol laced with ethyl alcohol). True to the Budget intention, part of the money will be used for providing VGF (viability gap funding) for 4,000 MWh (megawatt-hour) and VGF of Rs 8,000 crore for the proposed Rs 20,700-crore transmission line for evacuating power from the proposed 13 GW solar-wind-battery storage project in Ladakh to reduce the tariff initially, till a domestic market scales up and prices come down. A framework for pumped storage generation projects will also be formulated. Both these technologies will play a key role in the government's bid to promote round-the-clock solar or wind power projects by providing standby power during night or no-wind scenarios. This will be an important element for maintaining grid stability as the share of renewables rises.

The government will form an expert committee to review the Harmonized Master List of Infrastructure whereby the committee will recommend the classification and financing framework suitable for Amrit Kaal. The Finance Minister tasked the newly established infrastructure finance secretariat to assist all stakeholders with more private investment in various sectors including railways, roads, urban infrastructure, and power generation.

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

## ii. Opportunities and Strengths:

The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in the infrastructure sector, mainly Transportation, Urban Development & Industrial Projects. Many steps have been taken to improve funding avenues to the infrastructure sector. There are huge opportunities for the industry in the future. Your Company is having opportunities and strengths with an order book position of Rs. 6401 Crores.

## Segment-wise performance:

### 1. Transportation Division:

Your Company has completed 11,407 lane kms of road projects across India till date. Besides, work amounting Rs. 1817.38 Crore was done till March, 2023 out of the total work amounting to Rs. 2,776.59 Crore. Balance work of Rs. 959.21 Crore is outstanding as on date.

### 2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, Dams, Tunnels, Spillways, Pump house and Lift Irrigation Projects across PAN India. At present various Irrigation Projects having a total value of Rs. 1,769.33 Crore are under progress across PAN India. Out of which work amounting to Rs. 1,063.80 Crore was already executed till March, 2023, while work amounting to Rs. 705.53 Crore is the balance outstanding to be executed.

## iii. Outlook:

Future outlook of Infrastructure industry in India:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. In Union Budget FY 2023-24, the government has given a massive push to the infrastructure sector by allocating Rs.2.70 Lakh Crore to the Ministry of Road Transport and Highways to enhance the transport infrastructure. The Union Budget 2022-23 continues to give a strong push to infrastructure development by increasing the capital investment outlay by 33% to Rs. 10 Lakh Crore - almost three times the outlay in 2019-20.

The infrastructure sector has become the biggest focus area for the Government of India. The Government has suggested investment of Rs. 2.40 Lakh Crore for railways infrastructure for FY 2023-24.

The allocation for the Ministry of Road Transport and Highways has seen a 36% increase with around ₹2.7 lakh crore for 2023-24. This is nearly 10 percent jump over the Budgetary allocation of ₹1.99 lakh crore made in the Budget for 2022-23.

Out of the total Rs. 2.7 lakh crore, the National Highways Authority of India (NHAI) has been allocated around Rs. 1.62 lakh crore as part of MoRTH's capital expenditure plan for 2023-24, a 21 percent increase compared to 2022-2023, when it was allocated Rs. 1.34 lakh crore. As per the revised estimates of the government, the NHAI will spend around Rs. 1.42 lakh crore in 2022-23. The government had set a target of 13,000 km of highway construction in FY2022-23, but the speed of construction was affected by unfavorable weather conditions. The road ministry is likely to complete the construction of 11,000 km of national highways in the current financial year.

Finance Minister allocated Rs. 2.40 lakh crore for the Railways for 2023-24. The outlay is Rs. 1 lakh crore more than the Rs. 1.40 lakh crore allocated to the Railways last fiscal. Railway Minister also said double lines would be laid over 2,600 km, gauge conversion would be carried out over 150 km and new lines over 600 km would be constructed. Other big-ticket item on the agenda of the Railways was upgradation of railway stations. As many as 1,275 stations, including New Delhi, Mumbai, Kanpur, would be upgraded. With high speed Vande Bharat trains set to hit the tracks, the allocation for track renewal has been increased from Rs. 15,398.05 crore in RE 2022-23 to Rs. 17,295.84 crore this year.

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



#### Road Ahead:

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

An economy's infrastructure is pivotal in propelling its progress and setting the stage for its future development possibilities. Infrastructure development is crucial to achieve the India 2047 vision for a \$ 40 trillion economy and be reclassified from a developing economy to a developed economy. The Indian government focuses on India's infrastructural needs and has developed various schemes and policies in this regard. The National Infrastructure Pipeline (NIP), introduced in 2019 emphasizes social and infrastructure projects including energy, roads, railways, and urban development projects worth INR 102 lakh crores.

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress. The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

In order to meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water & irrigation.

India's logistics market is estimated to reach US\$ 410.75 billion in 2022 and is expected to reach US\$ 556.97 billion by 2027, growing at a CAGR of 6.28%. India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY21-26 driven by spending on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five year plan as against 5% in the 11th five year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five year plan, with 40% of the funds coming from the private sector.

This depicts the upward trajectory of the Indian infrastructure space which is on the rise. Also, with Covid-19 restrictions been removed, the infrastructure work has progressed, and the Indian National Highways are continuously being upgraded based on the latest technology.

#### IV. Risks and Concerns:

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

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

##### I. Internal Control Systems and their adequacy:

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

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

During the year under review, your Company has achieved a total income (standalone) of Rs. 1,03,485.42 Lakhs against Rs 72,271.80 Lakhs and Earning per Share (EPS) of Rs. 0.60 against Rs. (4.58) of the Previous Year.

##### III. Human Resources/Industrial Relations:

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



## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

### 2. BOARD OF DIRECTORS:

#### i. Composition and Category of the Directors as on 31<sup>st</sup> March, 2023

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

As on 31<sup>st</sup> March 2023, the Board consist of 6 (Six) Directors. There is 1(One) Managing Director, 1(one) Whole-time Director, 1(one) Executive Director and 3 (three) Non-executive Independent Directors including 1 (One) chairman and 1(one) Woman Director.

Sl. No.	Name of the Director	Designation	Category
1	Mr. Ramadas Kasarneri	Chairman	Non- Executive & Independent Director
2	Mr. N. Seethaiah	Managing Director	Executive & Non-Independent Director
3	Mr. Mohammad Shafi	Whole-time Director	Executive & Non-Independent Director
4	Mrs. Ch. Lakshmi Kumari	Woman Director	Non- Executive & Woman Independent Director
5	Mr. P. Madhava Rao	Director	Non- Executive & Independent Director
6	Mr. Madhu Malampati	Non-Executive Director	Up to 11-11-2022 (Resigned)
7	Mr. K. Venkateswarlu	Executive Director	w.e.f. 11-11-2022 (Appointed)

#### i. Number of Board Meetings held during the year:

The Board met 4 (Four) times during the financial year 2022-2023.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
596	28-05-2022	597	11-08-2022	598	11-11-2022	599	13-02-2023

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

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

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2022-2023)	Attendance at previous AGM held on 29-09-2022
1	Mr. Ramadas Kasarneri	4	Yes
2	Mr. N. Seethaiah	4	Yes
3	Mr. Mohammad Shafi	4	No
4	Mr. P. Madhava Rao	4	Yes
5	Mrs. Ch. Lakshmi Kumari	4	Yes
6	Mr. K. Venkateswarlu	1	Yes

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



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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2023 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Mr. N. Seetharaj	Managing Director	5	0	0
2	Mr. Mohammad Shafi	Whole-time Director	4	0	0
3	Mr. Ramadas Kasarineni	Chairman and Independent Director	0	0	0
4	Smt. Ch. Lakshmi Kumari	Independent Director	2	0	0
5	Mr. P. Madhava Rao	Independent Director	0	0	0
6	Mr. K. Venkateswarlu	Executive Director	0	0	0

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

### 3. CODE OF CONDUCT:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has suitably modified the 'Code of Conduct for Board of Directors, Senior Management and Key Managerial Personnel' (Code of Conduct) and is available on the Company's website. The Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code of Conduct as at 31st March 2023.

### 4. AUDIT COMMITTEE:

#### i. Brief description of terms of reference:

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

#### ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31<sup>st</sup> March 2023:

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sr Madheva Rao P, Independent Director as Member
3. Sr. Ramadas Kasarineni, Independent Director as Member

#### iii. Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 (2) of the Listing Regulations the Audit Committee met 4 (Four) times during the financial year under review, on 29-05-2022, 11-08-2022, 11-11-2022 and 13-02-2023 and the attendance of the members of the Audit Committee as recorded is as under:

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

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

## 5. NOMINATION AND REMUNERATION COMMITTEE:

### i. Brief description of terms of reference:

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

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

### ii. Composition and Role of Nomination and Remuneration Committee:

Nomination and Remuneration Committee comprises the following non-executive independent directors as on 31<sup>st</sup> March 2023:

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

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

### iii. Attendance during the year:

The Nomination and Remuneration Committee met 3 (Three) times, during the financial year under review, on 20-04-2022, 11-08-2022 and 11-11-2022. The attendance of the meeting by the members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings Attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	3
2	Mr. P Madhava Rao	Member	3
3	Mr. Ramadas Kasamani	Member	3

### iv. Remuneration Policy:

The Policy provides for the following:

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

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

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

Evaluation Criteria:

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

### v. Details of Remuneration to Executive Directors:



Of the total 6 (Six) Directors, 3 (Three) are Executive Directors. The remuneration payable to these directors is determined by the Board on the recommendation of the Nomination and remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non-executive directors have drawn sitting fees from the Company for attending the meetings of the board and the committees. Details of Remuneration of the executive Directors for the financial year 2022-2023 are as follows:

Sl No.	Director	Consolidated Salary (Per Month) (Rs.)	Perquisites, Allowances and other Benefits	Performance Bonus/ Incentive/ Commission/ Stock Option	Sitting Fees (Rs.)	Total (Per Annum) (Rs.)
1	Mr. N. Seethaiah Managing Director	5,00,000/-	-	-	-	60,00,000
2	Mr. Mohammad Shafi Whole-time Director	3,00,000/-	-	-	-	36,00,000
3	Mr. Ramadas Kasameri, Independent Director	-	-	-	60,000	60,000
4	Mr. P. Madhava Rao, Independent Director	-	-	-	60,000	60,000
5	Mr. Ch. Lakshmi Kumari, Independent Director	-	-	-	60,000	60,000
6	Mr. Madhu Malampati Non-Executive & Non-Independent Director	Resigned w.e.f 11-11-22	-	-	Nil	Nil

v. Details of shareholding of Directors as on 31<sup>st</sup> March 2023:

As on 31<sup>st</sup> March 2023, the Company had 3 (Three) Executive Directors; 3 (Three) Non-Executive Independent directors, the one executive director and one Non-Executive & Non-Independent Director holds equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

SL No	Name of the Director	Status	No. of Shareheld	Percentage (%) of total shares
1	Mr. Ramadas Kasameri	Chairman & Independent Director	Nil	Nil
2	Mr. Nama Seethaiah	Managing Director	23802	0.03
3	Mr. Mohammad Shafi	Whole-time Director	Nil	Nil
4	Mr. P. Madhava Rao	Independent Director	Nil	Nil
5	Smt. Ch. Lakshmi Kumari	Independent Director	Nil	Nil
6	Mr. Madhu Malampati (Resigned w.e.f 11-11-2022)	Non-Executive & Non-Independent Director	24000	0.03

6. **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

i. Composition of the Committee:

The Stakeholders Relationship Committee comprises of the following Members as on 31<sup>st</sup> March 2023.

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

ii. Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 28-05-2022, 11-08-2022, 11-11-2022 and 13-02-2023, attendance of members of the Committee as recorded is as under:



Sl. No.	Name of the Director	Position	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	4
2	Mr. Mohammad Shafi	Member	4
3	Mr. P. Madhava Rao	Member	4

ii. Name and Designation of Compliance Officer: Mr. D. Malla Reddy, Company Secretary and Compliance Officer.

iv. Number of Shareholders' Complaint received during the year under report:

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. During the period under review, the Company has not received the Complaints from Shareholders.

v. Number of Complaints not solved to the satisfaction of Shareholders as on the date of approval of Directors Report - Nil

vi. Number of Pending Complaints as on the date of approval of Directors Report - Nil

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

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

## 7. GENERAL BODY MEETINGS:

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

ii. Special resolutions passed in the last three Annual General Meetings held: Two Special Resolutions passed for the re-appointment of Independent Directors at 32<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2022.

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

Particulars	Date & Time	Venue	Special Resolution passed
32 <sup>nd</sup> AGM (2021-2022)	29-09-2022 3.00 PM	Venue: Registered Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Yes / 2(Two) Special Resolutions passed for the re-appointment of Independent Directors
31 <sup>st</sup> AGM (2020-2021)	30-09-2021 3.00 PM	Deemed Venue: Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
30 <sup>th</sup> AGM (2019-2020)	05-12-2020 3.00 PM	Deemed Venue: Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil

iii. Postal Ballot

During the year no resolution was passed through postal ballot.

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

iv. Meeting of Independent Directors

Pursuant to the companies Act, 2013 read with rules made there under and Secretariat Standard-I issues by the Institute of Company Secretaries of India and SEBI (LODR) Regulations, 2015 a meeting of the Independent Directors of the Company for the financial year 2022-2023 was held on 13<sup>th</sup> February, 2023.

## 8. DISCLOSURES:

i. Related Party Transaction (RPT)

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

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



- ii. **Disqualification of Directors:** As on March 31, 2023 none of the Directors of the Company were disqualified under section 164 (2) of the Companies Act, 2013. Certification by a company secretary in practice to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. As required under Schedule V Part C Regulation 10, Sub-regulations (i) of SEBI (LODR) Regulations, 2015 disclosure was also made appropriately (Annexure – A).
- iii. There is no non-compliance by the Company, penalties, and strictures imposed on the Company by SEBI or Statutory Authority on any matters relating to capital markets during the last three years.
- iv. **Whistle Blower Policy:**  
The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail ID, [whistleblower@madhucon.com](mailto:whistleblower@madhucon.com). Key directors/actions will be informed to the Managing Director of the Company.
- v. The CFO cum Director and Managing Director has issued certificate pursuant to the provisions of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.
- vi. Practising Company Secretaries Certificate on Corporate Governance as required under Schedule V, Part C of Listing Regulations annexed forming a part of Corporate Governance Report.
- vi. **Subsidiary Companies:**  
The financials of all the subsidiary companies have been duly reviewed by the audit committee. The Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policy are disseminated in the website of the Company under the following link:  
<http://www.madhucon.com/corporate/investors.html>
- vii. **SEBI Prevention of Insider Trading:**  
With SEBI imposing the responsibility of "Prohibition of Insider Trading" in the Organizations, Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed under SEBI (Prohibition of Insider Trading) Regulations 2015. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company, while in possession of the unpublished price sensitive information in relation to the Company. As on the date, there have been no violations of insider trading regulation.
- ix. **Code of Conduct for the Board of Directors and the Senior Management:**  
The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. The Board of Directors has adopted a code of conduct for all Board members and senior management of the Company and affirmed its compliance on annual basis for the Financial Year ended 31st March 2023. In terms of compliance with the requirement of Regulation 46 of the Listing Regulations are disseminated in the website of the Company under the following link:  
<http://www.madhucon.com/corporate/investors.html>
- x. **Discretionary requirements under Listing Regulations:** The Company has complied with all the discretionary requirements of Corporate Governance stipulated under Part E of Schedule V of the Listing Regulations. Certificate to this effect has been issued by Mrs. Vendra Madhumita, Practising Company Secretary and the same has been incorporated as an Annexure to the Report.
- g. SHAREHOLDER'S COMMUNICATION:**
- i. The quarterly financial provisional un-audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarters and fourth quarter duly audited within 60 days as per the Regulation 33 of Listing Regulations.  
The financial calendar events of 2022-2023 relating to quarterly un-audited and quarterly and yearly Audited financial results are as follows:

Financial Results Reporting for the :	For 2022-23 were announced on
1st Quarter ended 30 <sup>th</sup> June, 2022	11 <sup>th</sup> August, 2022
2nd Quarter ended 30 <sup>th</sup> September, 2022	11 <sup>th</sup> November, 2022





3rd Quarter ended 31st December, 2022	13 <sup>th</sup> February, 2023
4th Quarter and financial year ended 31st March, 2023	16th May, 2023

- ii. The financial provisional un-audited results are published in a leading daily newspaper in English and in Regional language having nationwide circulation viz. Financial Express and Mana Telangana and are disseminated in the website of the Company under the following link: [http://www.madhucon.com/FinancialResults\\_31032023.pdf](http://www.madhucon.com/FinancialResults_31032023.pdf)
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in <https://www.connect2nse.com/LISTING/> and to Bombay Stock Exchange in <http://listing.bseindia.com>
- iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.

#### 10. GENERAL SHAREHOLDER'S INFORMATION:

- i. Financial Year:  
The Company follows the financial year commencing from 1<sup>st</sup> April to 31<sup>st</sup> March on consistent basis.
- ii. Listing on Stock Exchanges:  
Bombay Stock Exchange (BSE)  
Stock Code No.: BSE – 531467  
National Stock Exchange (NSE)  
Stock Code No.: NSE – MADHUCON
- iii. ISIN: INE 378D01032
- iv. Market Price Data:  
High and Low during each month in last financial year 2022-2023:  
High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE during the 12 months period ended 31st March 2023 are as under-

##### A) NSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2022	7.55	6.75	2,11,480	737
May, 2022	6.90	5.40	4,33,528	1,565
June, 2022	6.90	5.70	3,70,929	1,047
July, 2022	7.72	5.94	7,28,257	2,301
August, 2022	6.95	6.00	1,36,014	384
September, 2022	6.95	5.45	8,03,076	1,901
October, 2022	6.30	5.45	2,99,084	1,129
November, 2022	5.95	5.00	6,89,129	1,451
December, 2022	5.65	5.10	1,67,697	364
January, 2023	5.95	4.20	4,73,929	1,419
February, 2023	5.74	4.75	3,91,302	1,251
March, 2023	4.80	3.66	4,23,525	1,142

##### B) BSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares	No. of Trades
April, 2022	8.05	5.70	9,83,800	737
May, 2022	6.90	5.40	4,63,041	1237
June, 2022	6.90	4.30	5,25,500	1046
July, 2022	5.50	4.85	9,86,200	1500
August, 2022	7.25	5.00	12,84,020	384
September, 2022	6.95	5.45	8,04,545	1928
October, 2022	6.30	5.45	2,99,660	1132



November, 2022	5.95	5.00	6,89,000	1452
December, 2022	6.70	5.10	13,96,500	1363
January, 2023	5.95	4.95	5,25,900	1244
February, 2023	5.30	4.05	5,05,950	1294
March, 2023	4.80	3.40	8,41,800	1372

vi. Registrar and Transfer Agents:

M/s KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanaknampuda Hyderabad,  
Telangana-500032  
Phone No.040-97161605

vii. Share Transfer System:

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

viii. Others:

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

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

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

A) Distribution of Shareholding as on 31st March, 2023.

Equity Share holding of nominal value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	% of Shareholders	In Rs	% of holding
1 - 5,000	19280	95.91	99,94,239	13.54
5,001 - 10,000	418	2.08	31,08,836	4.21
10,001 - 20,000	193	0.96	27,22,963	3.69
20,001 - 30,000	81	0.40	20,76,802	2.81
30,001 - 40,000	27	0.14	9,45,287	1.28
40,001 - 50,000	20	0.10	8,90,658	1.21
50,001 - 1,00,000	40	0.20	28,29,096	3.83
1,00,001 - Above	43	0.21	5,12,27,359	69.43
Total	20,102	100.00	7,37,94,940.00	100.00

ix. Dematerialization of shares and liquidity:

7,36,08,130 Equity Shares equivalent to 99.75 % of the total equity share capital have been de-materialized and 1,86,810 are in physical form equivalent to 0.25% as on 31st March 2023.

Electronic/Physical	No. of Holders	No. of Shares	% to Equity
NSDL	8969	54080193	73.30
CDSL	11084	19519337	26.45
Physical	49	186810	00.25
Total	20102	7,37,94,940	100.00



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

- x. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity - No Outstanding Instruments.
- xi. Plant Locations - Not applicable since the Company is not engaged in manufacturing activities.
- xii. Address for Investors Correspondence:

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

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

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

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

Company Secretary & Compliance Officer:  
 Mr. D. Mallu Reddy  
 Corp. Off: "Madhuccon House", Plot No. 1123/A,  
 Road No.36, Jubilee Hills, Hyderabad - 500 033 India.  
 Telephone: (040) 23556001 / 2 / 3 / 4  
 Fax No: (040) 23556005  
 E-Mail: cs@madhuccon.com

#### 11. LISTING FEES:

Listing fee has been paid to BSE and NSE within the prescribed time limit as set in the Listing Regulations for the Financial Year 2023-2024.

#### 12. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

#### 13. DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT:

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

For and on behalf of the Board

Place: Hyderabad  
 Date : 11-05-2023

Nama Seethaiah  
 Managing Director  
 DIN: 00784489



V MADHUMITA & ASSOCIATES  
PRACTICING COMPANY SECRETARY

**CERTIFICATE ON COMPLIANCE WITH THE REGULATIONS OF CORPORATE GOVERNANCE**

**TO THE MEMBERS OF MADHUCON PROJECTS LIMITED**

1. I, Vendra Madhumita, Company Secretary in Practice, the secretarial auditor of Madhucon Projects Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the "Listing Regulations").

**MANAGEMENT'S RESPONSIBILITY**

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**AUDITOR'S RESPONSIBILITY**

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

4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**OPINION**

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31st March 2023.

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

**For V. Madhumita and Associates**

**Company Secretaries**

Sd/-

Vendra Madhumita

Proprietor

(ACS 52965; CP 19626)

UDIN: A052965E000494912

Place: Hyderabad

Date: 24 June, 2023

**Annexure - A**

V MADHUMITA & ASSOCIATES  
PRACTICING COMPANY SECRETARY

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Madhuccon Projects Limited  
H.no.1-7-70, Jubilpura,  
Khammam-507003,  
Telangana, India.

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

In my opinion and to the best of my information and according to the verifications (including Directors identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN
1.	POTLA MADHAVA RAO	00385838
2.	SEETHAIAH NAMA	00784491
3.	RAMADAS KASARANENI	02182093
4.	CHINTHAPALLI LAKSHMIKUMARI	06942473
5.	MOHAMMAD SHAFI	07178265
6.	VENKATESWARLU KOTHAPALLI	09713108

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

For V. Madhumita and Associates  
Company Secretaries  
Sd/-  
Vendra Madhumita  
Proprietor  
(ACS 52965; CP 19626)  
UDIN: A052965E000494934

Place: Hyderabad  
Date: 24 June, 2023

**CEO/CFO/GM (Finance & Accounts) Certification**

In relation to the Audited Financial Statements of the Company as at March 31, 2023, Mr. Nema Seethaiah, Managing Director and Mr. K. Venkateswarlu, Director cum CFO of the Company certify that:

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

Sd/-  
(K. Venkateswarlu)  
Director cum CFO  
DIN: 09713108

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

Place: Hyderabad  
Date: 16-05-2023



Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of  
**MADHUCON PROJECTS LIMITED**  
 CIN: L74210TG1998PLC011114  
 H.No.1-7-70, Jublipura  
 Khammam  
 Telangana- 507003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Madhucan Projects Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2023 (i.e. from April 01, 2022 to March 31, 2023) complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not applicable during the period under review
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable during the period under review
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the period under review
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable during the period under review
- viii. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not applicable during the period under review and
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

I have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, National Stock Exchange of India Limited, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Directions, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the audit period there have been enlisted major actions or events undertaken by the Company which may have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines, standards etc: -

- (a) The company has yet to transfer unpaid dividend relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).





- (b) The company has defaulted in repayment of dues to Banks and financial institutions. However, dues in case of some banks were settled through "One time settlement".
- (c) The company has petition pending case in NCLAT relating to one of the financial creditors.
- (d) Managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
- (e) 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, arded the premises of "the company" on 11-06-2021 and the investigation is still pending.
- (f) As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached immovable properties and other assets belonging to Madhucan Group of companies, its directors and promoters in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002. Further investigation is going on.
- (g) The Independent Directors have registered their names on ICA portal, for which the renewal is pending.

I further report that the compliance of applicable financial laws, like direct and indirect tax laws by the Company, has not been reviewed by me since the same has been audited by internal auditors, statutory auditors and other designated professionals.

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

- (a) Employees Provident Fund Scheme, 1952 and the rules made there under as applicable is under Implementation

Provident Fund commissioner-I of Madhapur, Hyderabad had initiated Proceedings against the Company for the recovery of past old dues relating to the-years 2007 - 2008 & 2009 - 2014. The Honourable High Court of Telangana Issued Stay on the Proceedings.

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

Place: Hyderabad  
Date: 24 June, 2023

UDIN: A052965E000494881

For V Madhumita & Associates  
Company Secretaries  
Proprietor  
Vendra Madhumita  
CP NO: 19626, ACS No: 52965

**ANNEXURE TO SECRETARIAL AUDIT REPORT (FORM MR-3)**

To,

The Members of  
MADHUCON PROJECTS LIMITED  
CIN: L74210TG1990PLC011114  
H.No.1-7-70, Jublipura  
Khammam  
Telanagana- 507003

My Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to MADHUCON PROJECTS LIMITED (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts are reflected in secretarial and other records. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts and Statutory Dues of the Company as commented by the Auditors.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Vendra Madhumita**  
**CP NO: 19626, ACS No: 52965**



# **STANDALONE FINANCIAL STATEMENTS**

## **2022-2023**



## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Madhucon Projects Limited

Report on the Standalone Financial Statements

### Qualified Opinion

We have audited the financial statements of **M/s. Madhucon Projects Limited** ("the company"), which comprise the standalone balance sheet as at 31st March 2023, and the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

1. We refer to the carrying value of investments of Rs 1,34,212.99 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 5624.18 lakhs given by the company to its subsidiaries/other companies. Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and loans & advances, whether any provision for impairment in the value of investments and loans & advances is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.
2. "The Company "has written back Trade Payables amounting to Nil and Rs 10,001.95 lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
3. "The Company "has written back Other Payables amounting to Rs 873.94 lakhs and Rs 1,211.82 lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
4. "The Company "has written off loans , advances and other investments from Related Parties amounting to Rs 4,306.13 Lakhs and Rs 18,530.32 Lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.



5. "The Company" has written off advances from Other Parties amounting to Rs 2,298.31 Lakhs and Rs 3,446.54 Lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the Year ended 31<sup>st</sup> March, 2023 respectively.
6. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
7. "The company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 48,839.25 lakhs and Rs 4,508.69 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Interest on these loans have not been provided for the FY 2018-19 to FY 2022-23. However Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account and the effect of same has not been quantified and as such the impact of the same on profitability could not be ascertained.

Balance Confirmation in respect of the loans from banks have not been obtained.

8. As per note in financial statement, One Financial Creditor Appeal and Company Appeal against NCLT order is pending with NCLAT.
9. Undisputed Statutory dues in case of following are outstanding carried from previous Year:

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	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	93.65
3	Value Added Tax	VAT payable	2013-14 to 2017-18	9.77
4	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42

10. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 104.51 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.



11. The turnover and input credits as per the books of account are subject to reconciliation with the GST returns filed.
12. Internal Audit has not been conducted for the period 01st April 2022 to 31<sup>st</sup> March 2023. Internal auditor has not been appointed for the period from October 2022.
13. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
14. The Company has given a Bank Guarantee for Rs 1,224.33 Lakhs on behalf of its step-down subsidiary "Vijayawada-Machilipatnam Expressways Limited" in favor of NHAI and the same was invoked in FY 2014-15 by NHAI. The Company has accounted the invoked amount as receivable from "Vijayawada-Machilipatnam Expressways Limited" and subsequently "The Company" has written off the same by charging it to "Statement of Profit and Loss" in FY 2015-16.  
  
Consequent to receipt of claims on arbitration by "Vijayawada-Machilipatnam Expressways Limited", an amount of Rs 1,955.00 lakhs was paid by "Vijayawada-Machilipatnam Expressways Limited" to "The Company", against the invocation of Bank Guarantee, which is offered as income during the quarter ending 30-06-2022.
15. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress.
16. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs 96.21 Crore and Rs 80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002. Further investigation is going on.
17. 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.
18. Balance confirmation of current accounts, which have become Dormant, are not obtained in case of Bank Branches at various project sites.



### **Matters Relating to Going Concern**

We draw attention to Note 2.45 to Standalone financial statements-"The Company's" current liabilities exceeded current assets and "The Company" has defaulted in payment of dues to banks, all these indicate a material uncertainty existing that may cast a significant doubt on "The Company's" ability to continue as a going concern. However, the management believes the use of going concern assumption on the preparation of the financial statements of "the company" is still appropriate in view of implementation of OTS agreements already entered into in case of some banks, and its continuing discussions with its lenders to obtain approval for and an appropriate debt resolution plan and also, that "The company" will continue to be in operation in the foreseeable future.

### **Emphasis of Matter**

- "The Company" has offered Rs. 259.60 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

- 1) 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.

#### **How the matter was addressed in our audit:**

We have examined the key controls in place for making investments in subsidiaries. We assessed the networth of subsidiaries on the basis of latest available financial statements. In the absence of fair valuation of investments, taken into account the management representations made for the internal assessments and initiatives to be implemented to improve the working of the

subsidiaries basing on which they are of the view that the carrying value of the investments and loans and advances are realizable at the value stated in the books and no impairment is considered.

- 2) "The Company" has defaulted in repayment of dues to Banks and financial institutions All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2022-23. Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account.

**How the matter was addressed in our audit :**

Dues in case of some of the banks were settled through "One time settlement" but entries in respect of OTS have not been effected in the books of accounts due to Procedural Formalities as explained by the management. However the same has been qualified in our Audit Report (Clause 7 of Basis for Qualified Opinion).

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Except for the possible effects of the matter described in the *Basis for Qualified Opinion* proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) Except for the possible effects of the matter described in the *Basis for Qualified Opinion* the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account, as per Companies (Audit and Auditors) Rules, 2014 as amended.
  - d) Except for the possible effects of the matter described in the *Basis for Qualified Opinion*, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
  - g) In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial institutions, managerial remuneration of Rs. 104.51 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.
  - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the pending litigations which would impact its financial position in its notes to financial statements.



- ii. The Company does not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2009-10 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.

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

**A. Krishna Rao**  
**Partner**  
**Membership No. 020085**  
**UDIN: 23020085BGQFZ8683**

**Place: Hyderabad**  
**Date:16-05-2023**



### Annexure A to the Auditors Report

**Annexure referred to in Independent Auditors Report to the Members of M/s. Madhucon Projects Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2023, we report that:**

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a)
    - The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - The Company doesn't have any intangible assets.
  - b) As explained to us, Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - c) The Company has not produced Title Deeds in respect of certain immovable properties (lands) held, as such we are unable to provide the details as required.
  - d) According to the information and explanations given to us by the management the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - e) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - a) In our opinion and according to the information and explanations given to us the Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable. As per our observations the coverage and procedure of such verification was appropriate, and there are no major discrepancies found on and above 10% aggregately of such classes of inventory.



- b) The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets .
- iii.
- (a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to other entity during the year.
- (b) In our opinion, the loans provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Aggregate amount of loans granted during the year Rs 4,946.54/- lakhs and outstanding balance as on 31st March, 2023 is Rs 18,432.44/- lakhs.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 185 and 186 of the Act to the extent applicable, in respect of loans, investments guarantees and security.
- v. During the year The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



vii. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues:

- a) There are some delays in depositing undisputed statutory dues for the current year in case of Provident Fund, ESI, Goods and Service Tax, TDS. Undisputed amounts payable in respect of Statutory dues which were outstanding for more than six months from the date they became payable are as follows:

S.No.	Name of the Statute	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	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	93.65
3	Value Added Tax	VAT payable	2013-14 to 2017-18	9.77
4	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42

- b) Details of dues of Sales tax, Entry tax, Service tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.in lakhs)
Sales Tax	Hon'ble High Court	2001 to 2005 & 2009-10	637.42
Entry Tax	Hon'ble High Court	2015-16 & 2016-17	8.85
Service Tax	Settlement Commission	2010-12	1,655.75

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) Based on the examination of books of account and related records and according to the information and explanations given by the management, the company has defaulted in repayment of dues to financial institutions and banks during the year [Refer Clause 7 of Basis for Qualified Opinion], as follows:

Delay in Principal and Interest payments:

Amount in Rs.Lakhs

Nature	Name of the Lender	Amount not paid on due date	Principal or Interest	No. of days delay or unpaid	Remarks, if any
Cash credit	Bank of India	2661.70	Principal	181 and above days	The loan has become NPA
Cash credit	Canara Bank	5758.56	Principal	181 and above days	The loan has become NPA
Cash credit	Axis Bank	338.37	Principal	181 and above days	The loan has become NPA
Cash credit	ICICI Bank	18625.35	Principal	181 and above days	The loan has become NPA
Cash credit	State Bank of India	4045.82	Principal	181 and above days	The loan has become NPA
Cash credit	Punjab National Bank (Formerly Oriental Bank of Commerce)	4991.80	Principal	181 and above days	The loan has become NPA
Cash credit	Kotak Mahindra Bank	2036.26	Principal	181 and above days	The loan has become NPA
Cash credit	IDBI	5279.70	Principal	181 and above days	The loan has become NPA



Term loan	NBFC	4000.00	Principal	181 and above days	The loan has become NPA
Interest on loans	Axis Bank	35.25	Interest	181 and above days	The loan has become NPA
Interest on loans	ICICI Bank	4107.30	Interest	181 and above days	The loan has become NPA
Interest on loans	IDBI Bank	348.19	Interest	181 and above days	The loan has become NPA
Interest on loans	Canara Bank	193.00	Interest	181 and above days	The loan has become NPA
Interest on loans	Punjab National Bank (Formerly Oriental Bank of Commerce)	249.40	Interest	181 and above days	The loan has become NPA
Interest on loans	State Bank of India	168.56	Interest	181 and above days	The loan has become NPA
Interest on loans	NBFC	508.69	Interest	181 and above days	The loan has become NPA

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or other lenders.
- c) According to the information and explanations given to us and in our opinion, the Company has not raised any term loans during the year.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes.



- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year.
- xi.
- a) No fraud by the Company and on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023. Internal auditor has not been appointed for the period from October 2022.



- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. As per the provisions of section 192 of the Companies Act, 2013
- xvi.
- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
  - b) The company has not conducted any Non-Banking Financial or Housing Finance activities .
  - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - d) There is no core investment company within the Group (as defined in the Core Investment Companies(Reserve Bank) Directions, 2016)
- xvii. The Company has not incurred cash losses during the financial year and incurred cash loss of Rs (2,884) lakhs in the immediately preceding financial year 2021-22. Further we state that the effect of an Unquantified Qualification (Refer Clause 7 of Basis For Qualified Opinion) on the figure of cash losses, has not been taken into consideration for the purpose of making comments in respect of this clause.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of evidence supporting the assumptions, we conclude based on the information obtained from the management and audit procedures performed that material uncertainty exists as on the date of the audit report indicate that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, which depend on the outcome of the management plan on the discussions with its lenders to obtain approval for and implementation of appropriate debt resolution plan (Refer note on Going Concern 2.45).



- xx. In view of the losses incurred by the company, it is not covered under the provisions of section 135 of the companies act 2013.
- xxi. The qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, the details of the companies and the clauses of the CARO report containing the qualifications or adverse remarks -

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

8	NAMA HOTELS PRIVATE LIMITED	U55101TG2007PTC056818	Subsidiary	(vii), (xiv)
9	MADHUCON HEIGHTS PRIVATE LIMITED	U45209TG2007PTC056733	Subsidiary	(vii), (xiv), (xix)
10	MADHUCON MEGA MALL PRIVATE LIMITED	U45400TG2007PTC056734	Subsidiary	(vii), (xiv)
11	MADHUCON TOLL HIGHWAYS LIMITED	U93000TG2008PLC060479	Subsidiary	(vii), (xvii)
12	MADHUCON INFRA LIMITED	U45200TG2006PLC049235	Subsidiary	(vii), (ix), (xiv), (xix)
13	RANCHI EXPRESSWAYS LIMITED	U45209TG2011PLC073568	Step subsidiary down	(vii), (ix), (xiv), (xix)

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

**A Krishna Rao  
Partner  
Membership No: 020085  
UDIN: 23020085BGQFZ8683**

**Place: Hyderabad  
Date: 16-05-2023**



## **Annexure B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of M/s. Madhucon Projects Limited ('the company') as of 31<sup>st</sup> March 2023 in conjunction with our audit of Financial Statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion, the company has in all material respects reasonable internal financial controls system over financial reporting but not adequate and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>2023 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**A Krishna Rao**  
**Partner**  
**Membership No: 020085**  
**UDIN: 23020085BGQFZ8683**

**Place: Hyderabad**  
**Date: 16-05-2023**



**Madhucon Projects Limited**  
Balance Sheet as at March 31, 2023

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

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(i) Property, Plant and Equipment	2.1	1,195.60	1,816.45
<b>(ii) Financial Assets</b>			
(a) Investments	2.2	1,30,817.89	1,48,548.36
(b) Trade Receivables	2.3	7,932.77	7,495.09
(c) Loans	2.4	11,918.41	25,767.64
(d) Other Financial Assets	2.5	9,574.37	20,022.04
(e) Deferred Tax Asset (Net)	2.6	4,275.05	2,265.36
(f) Other Non-Current Assets	2.7	11,926.80	21,558.13
<b>Total Non-Current Assets</b>		<b>1,90,594.02</b>	<b>2,30,432.09</b>
<b>Current Assets</b>			
(i) Investments	2.8	210.27	392.13
<b>(ii) Financial Assets</b>			
(a) Trade Receivables	2.9	454.15	1,339.00
(b) Cash and Cash equivalents	2.10	474.41	1,057.89
(c) Other Financial Assets	2.11	1,542.07	1,843.43
(d) Current Tax Asset (Net)	2.12	1,100.79	2,077.23
(e) Other Current Assets	2.13	11,538.95	1,813.06
<b>Total Current Assets</b>		<b>24,283.50</b>	<b>16,612.09</b>
<b>Total Assets</b>		<b>2,15,075.37</b>	<b>2,47,060.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(i) Equity Share Capital	2.14	190.32	190.32
(ii) Other Equity	2.15	82,680.27	52,191.26
<b>Total Equity</b>		<b>83,426.60</b>	<b>82,681.29</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings			
(ii) Trade Payables	2.16	7,714.36	7,270.28
(iii) Total outstanding dues of subcontractors and vendors/creditors, and			
(iv) Total outstanding dues of creditors other than subcontractors and vendors/creditors.			
(v) Other Financial Liabilities	2.17	71.33	53.84
(vi) Provisions	2.18	110.36	111.51
(vii) Other Non-Current Liabilities	2.19	654.01	1,511.35
<b>Total Non-Current Liabilities</b>		<b>8,550.05</b>	<b>8,768.97</b>
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	2.20	37,847.94	71,296.48
(ii) Trade Payables	2.21	45,574.36	58,425.21
(iii) Total outstanding dues of subcontractors and vendors/creditors, and			
(iv) Total outstanding dues of creditors other than subcontractors and vendors/creditors.			
(v) Other Financial Liabilities	2.22	13,935.76	9,725.76
(vi) Other Current Liabilities	2.23	34,713.05	32,293.09
(vii) Provisions	2.24	6,246.15	6,088.34
(viii) Current Tax Liabilities (Net)	2.25	827.64	1,712.26
<b>Total Current Liabilities</b>		<b>1,33,604.93</b>	<b>1,85,549.73</b>
<b>Total Equity and Liabilities</b>		<b>2,15,075.37</b>	<b>2,47,060.08</b>

Significant accounting policies & Notes to accounts: I & 2

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

All per are reported even date audited.

**For P. Madan & Co.**  
Chartered Accountants  
FIR : 0072072

**A. Krishna Rao**  
Partner  
Membership Number: 020020  
CIN: 1002000000020041

Place: Hyderabad  
Date: May 16, 2023

**For and on behalf of the Board**

**N. Sothniah**  
Managing Director  
DIN: 00784401

**Mohammad Shaif**  
Whole-time Director  
DIN: 02178265

**K. Venkateswarlu**  
Director cum CFO  
DIN: 0071106

**D. Malia Reddy**  
Company Secretary  
ACS: 0859





**Madhucan Projects Limited**  
**Statement of Profit and Loss for the Year ended March 31, 2023**

(₹ in Lakhs)

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from Operations	2.26	90,060.64	70,614.55
Other Income	2.27	13,404.78	1,636.95
<b>Total Income</b>		<b>1,03,465.42</b>	<b>72,251.50</b>
<b>Expenses</b>			
Cost of Materials Consumed and Work Expenses	2.28	77,911.03	51,800.33
Employee Benefits Expense	2.29	1,939.41	1,679.10
Finance Costs	2.30	202.97	417.54
Depreciation and amortisation expense	2.1	551.90	478.06
Other Expenses	2.31	25,411.64	19,308.89
<b>Total Expenses</b>		<b>1,05,047.00</b>	<b>73,782.99</b>
<b>Profit/Loss Before Tax before Exceptional Items</b>		<b>(1,561.58)</b>	<b>(1,511.19)</b>
Impairment of Investments		-	-
<b>Profit/Loss Before Tax after Exceptional Items</b>		<b>(1,561.58)</b>	<b>(1,511.19)</b>
<b>Tax Expense</b>			
Current Tax Expense/Tax		-	-
Income Tax Refund Received		-	-
Deferred Tax		(2,007.69)	1,870.14
		<b>(2,007.69)</b>	<b>1,870.14</b>
<b>Profit/Loss for the Year</b>		<b>446.11</b>	<b>(3,261.33)</b>
<b>Other Comprehensive Income / (Loss)</b>			
Remeasurement of the Defined Benefit Plans		43.10	19.45
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		-	-
<b>Other Comprehensive Income / (Loss) for the year (net of taxes)</b>		<b>43.10</b>	<b>19.45</b>
<b>Total Comprehensive Income/Loss for the Year</b>		<b>489.21</b>	<b>(3,261.58)</b>
<b>Earnings per share of face value of ₹ 1 each</b>			
Basic and Diluted		<b>0.00</b>	<b>(4.58)</b>

Significant accounting policies &amp; notes to accounts

1 &amp; 2

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

As per our reported even date attached

**For P.Murali & Co.**  
Chartered Accountants  
FNO - 0072078

**For and on behalf of the Board**

**A.Krishna Rao**  
Partner  
Membership Number 020085  
FNO: 0072078(P/2014)

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

**Mohammad Shafi**  
Whole-time Director  
DIN-07178265

Place: Hyderabad  
Date: May 16, 2023

**K. Venkateswarlu**  
Director cum CFO  
DIN-05713798

**D. Malli Reddy**  
Company Secretary  
ACS: 9559



## Madhucan Projects Limited

## Statement of Changes in Equity for the Year ended March 31, 2023

## in Equity Share Capital

(Rupee in Lakhs of INR) (with 1,07,94,948 shares)

A Current Reporting Period					(IN Lakhs)
Balance at the beginning of the Current Reporting Period	Change in Equity Share Capital due to this period events	Dividend/Interest at the beginning of the current reporting period	Change in equity share capital during the current year	Balance at the end of the current reporting period	
748.12	-	-	-	748.12	

B Previous Reporting Period					(IN Lakhs)
Balance at the beginning of the Previous Reporting Period	Change in Equity Share Capital due to this period events	Dividend/Interest at the beginning of the Previous Reporting period	Change in equity share capital during the Previous year	Balance at the end of the Previous reporting period	
748.12	-	-	-	748.12	

## IN Other equity

## A Current Reporting Period

	Share application money pending allotment	Equity component of investment financial instruments	Reserves and Surplus				Start balance of other comprehensive income (expense) reserve	Share premium account share warrants	Total
			Capital Reserve	Reserves Funded	Other Reserves / General Reserve	Retained Earnings			
Balance at the beginning of reporting period	-	-	-	20,21,147	3,00,775	14,28,791	274.34	-	32,05,913
Change in accounting policy or	-	-	-	-	-	-	-	-	-
Retained Earnings at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense)	-	-	-	-	-	66,123	-	-	66,123
Dividend	-	-	-	-	-	-	-	-	-
Change in accounting estimate	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/Expense for the year	-	-	-	-	-	-	6.80	-	6.80
Balance at the end of the year	-	-	-	20,21,147	3,00,775	14,35,414	281.14	-	32,07,386

## B Previous Reporting Period

	Share application money pending allotment	Equity component of investment financial instruments	Reserves and Surplus				Start balance of other comprehensive income (expense) reserve	Share premium account share warrants	Total
			Capital Reserve	Reserves Funded	Other Reserves / General Reserve	Retained Earnings			
Balance at the beginning of reporting period	-	-	-	20,21,147	3,00,775	14,28,791	274.34	-	32,05,913
Change in accounting policy or	-	-	-	-	-	-	-	-	-
Retained Earnings at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense)	-	-	-	-	-	13,82,203	-	-	13,82,203
Dividend	-	-	-	-	-	-	-	-	-
Change in accounting estimate	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/Expense for the year	-	-	-	-	-	-	11.55	-	11.55
Balance at the end of the year	-	-	-	20,21,147	3,00,775	14,42,614	285.89	-	32,07,386

For P. Mohan & Co.  
Chartered Accountants  
MUM - 400026

A. Aravind Rao  
Partner  
Membership Number 227885  
UIN - 2002061600022664

Date: Dindigul  
08 / Mar / 2023

## For and on behalf of the Board

N. Seethalakshmi  
Managing Director  
(DIN-0019641)

Mohammed Hani  
Whole-time Director  
(DIN-2711920)

K. Vasanthakumari  
Director  
(DIN-0574308)

D. Mitha Reddy  
Company Secretary  
M/S-2223



## Madhucon Projects Limited

Standalone Cash Flow Statement for the Year ended March 31, 2023

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit/(Loss) before income tax	(1,561.58)	(1,511.19)
<b>Adjustments for:</b>		
Exceptional item	-	-
Depreciation and amortisation expense	591.98	478.06
Dividend and interest income (classified as investing cash flows)	(36.75)	(113.86)
Finance costs	202.97	417.54
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	337.60	(674.91)
(Increase) decrease in inventories	172.20	934.24
(Increase)/decrease in other financial assets	9,448.12	5,607.38
(Increase)/decrease in other current and non-current assets	667.40	6,133.18
Increase/(decrease) in loans	12,849.23	658.81
Increase/(decrease) in trade payables	(1,336.15)	(8,902.62)
Increase/(decrease) in other financial liabilities	(1,084.33)	7,702.14
Increase/(decrease) in other current and non-current liabilities	577.40	(8,823.67)
Increase/(decrease) in Non current Investments	9,001.00	-
<b>Cash generated from operations</b>	<b>17,792.07</b>	<b>1,905.09</b>
Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>17,792.07</b>	<b>1,905.09</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant, and equipment	39.20	35.36
Payments for purchase of investments	-	-
Dividend paid	-	-
Interest received	36.75	113.86
<b>Net cash outflow from investing activities</b>	<b>75.95</b>	<b>147.22</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	-	(13.53)
Proceeds from short term borrowings (net)	(18,248.54)	(1,574.82)
Interest paid	(202.97)	(417.54)
<b>Net cash outflow from financing activities</b>	<b>(18,451.51)</b>	<b>(2,005.90)</b>
Net increase/(decrease) in cash and cash equivalents	(583.49)	46.42
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1,057.89</b>	<b>1,011.48</b>
<b>Cash and cash equivalents at end of the year</b>	<b>474.41</b>	<b>1,057.89</b>
Reconciliation of cash and cash equivalents as per the cash flow statement		
	<b>31 March, 2023*</b>	<b>31 March, 2022*</b>
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	474.41	1,057.89
<b>Balances per statement of cash flows</b>	<b>474.41</b>	<b>1,057.89</b>

Significant accounting policies & Notes to accounts

1 & 2

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

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

**For and on behalf of the Board**

**A.Krishna Rao**  
Partner  
Membership Number 020085  
UDIN : 23020085060228693

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

**Mohammad Shafi**  
Whole-time Director  
DIN-07178265

Place: Hyderabad  
Date : May 16, 2023

**K. Venkateswarlu**  
Director cum CFO  
DIN-09713108

**D. Malla Reddy**  
Company Secretary  
ACS: 9559



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

#### **Company Overview:**

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

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

#### **Basis of preparation:**

##### **A) Statement of compliance**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements were authorised for issue by the Company's Board of Directors on May 16, 2023.

Details of the Company's accounting policies are included in Note 1. The accounting policies set out below have been applied consistently to the years presented in the standalone financial statements.

##### **B) Basis of Measurement**

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

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

##### **C) Functional and presentation currency**

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



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

#### **1. Summary of significant accounting policies**

##### **1.1 Current versus non-current classification**

The Company has identified twelve months as its operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liability is current when:

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### **1.2 Foreign exchange translation and foreign currency transactions:**

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

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

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

##### **1.3 Fair value measurement**

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an annual basis, the Management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a detailed discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **1.4 Use of Accounting Estimates & Assumptions:**

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

#### **1.5 Revenue recognition**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

#### **Contract revenue (construction contracts)**

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, and incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and including taxes or duties collected as principal contractor.

Revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of revenue has been reflected as unearned revenue.

#### **Operation and maintenance contracts**

Revenue from maintenance contracts are recognized over the period of the contract as and when services are rendered.

#### **Other Income:**

##### **Dividend Income:**

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

##### **Interest Income:**

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

#### **Contract balances**

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional.

##### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **1.6 Taxes on Income**

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

##### **Current Tax**

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





## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

#### **Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **1.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **1.8 Contingent Liabilities and Contingent assets**

A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. A contingent liabilities arises where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.



## Madhucon Projects Limited

### 1.9 Provisions

#### Notes forming part of Financial Statements

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation.

### 1.10 Investments in subsidiaries and joint ventures

The Company accounts for the investments in equity shares of subsidiaries and joint ventures at cost in accordance with Ind AS 27- Separate Financial Statements. The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

### 1.11 Employee Benefits:

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

### 1.12 Financial Instruments:

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

#### A. Financial Assets

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

##### Subsequent Measurement

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

#### (a) Financial Assets at Amortised Cost

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

#### (b) Financial Assets Measured at Fair Value

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



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

#### **(c) Impairment of Financial Assets**

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

#### **(d) De-recognition of Financial Assets**

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

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

#### **B. Equity Instruments and Financial Liabilities**

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

##### **(a) Equity Instruments**

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

##### **(b) Financial Liabilities**

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

##### **(c) Subsequent Measurement**

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

##### **(d) De-recognition of Financial Liabilities**

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

#### **C. Offsetting Financial Instruments**

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



## Madhucon Projects Limited

### Notes forming part of Financial Statements

#### 1.13 Cash and cash equivalents

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

#### 1.14 Earnings per Share:

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

#### 1.15 Lease

The Company has no leases or any contract containing lease and accordingly, no disclosure has been made on the same.

#### 1.16 Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 1.17 Schedule III amendment disclosures:

Ministry of Corporate Affairs ("MCA") issued notification dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021 and applied to the standalone financial statements:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Additional disclosure for shareholding of promoters.
- Additional disclosure for ageing schedule of trade receivables, trade payables and capital work-in-progress.
- Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- Additional disclosure for relating to Corporate Social Responsibility (CSR) and undisclosed income.

#### 1.18 Cash flow statement:

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



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

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

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

#### **1.19 Property, Plant and Equipment**

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

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

#### **1.20 Intangible Assets**

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

#### **1.21 Depreciation/ Amortisation**

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

#### **1.22 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

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



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

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

#### **1.23 Inventories:**

##### **Raw Materials:**

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

##### **Work in Progress:**

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

#### **1.24 Interest in Joint Operations**

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

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

1. its assets, including its share of any assets held jointly.
2. its liabilities, including its share of any liabilities incurred jointly.
3. its revenue, including its share any revenue arising jointly.
4. its expenses, including its share of any expenses incurred jointly.

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

#### **1.25 Insurance claims**

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

#### **1.26 Claims**

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

#### **1.27 Commitments**

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

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

## 2.1 Property, Plant and Equipment

MADHUCON PROJECTS LIMITED

	Land	Buildings	Furniture & Equipment	Fixtures & Fittings	Furniture & Fixtures	Van/Vehicles	Carrying Amounts	Temporary Stockings	Contract Work in Progress	Total
<b>Cost</b>										
As at 31 March 2020	1,720.47	21.47	27,044.92	2,479.82	1,224.93	1,915.33	2,314.90	3,435.87	438.54	59,115.22
Additions	-	-	180.65	7.90	1.48	19.36	-	0.18	13.42	214.37
Depreciation	-	-	86.81	62.63	54.11	54.11	-	-	-	153.66
As at 31 March 2021	1,720.47	21.47	27,137.14	3,120.75	1,333.04	1,976.17	2,314.90	3,436.05	452.52	60,412.08
Additions	-	-	178	-	16.17	78.12	-	-	17.67	181.76
Depreciation	184.19	-	247.20	1,265.98	110.43	110.43	3.94	-	-	1,882.17
As at 31 March 2022	1,904.66	21.47	27,322.22	31,142.55	1,349.23	1,835.74	2,312.84	3,436.05	463.64	66,018.24
Additions	-	-	129.34	-	28.11	2.86	115.74	-	34.14	456.07
Depreciation	-	-	860.97	492.67	3.09	15.79	-	-	-	1,532.11
As at 31 March 2023	1,904.66	21.47	28,748.17	32,490.48	1,365.25	1,829.44	2,328.40	3,436.05	497.80	67,812.66
<b>Depreciation</b>										
As at 31 March 2020	-	10.55	26,261.64	50,729.41	1,261.43	1,461.01	2,108.88	3,342.37	418.72	62,926.61
During the year	-	0.27	259.11	261.82	11.13	16.84	1.02	43.24	14.18	285.97
Depreciated Assets at year end	-	-	(86.41)	(102.42)	(1.14)	(54.05)	-	-	-	(154.27)
As at 31 March 2021	-	30.86	26,560.66	51,937.99	1,272.41	1,483.81	2,110.00	3,405.11	432.87	63,526.22
During the year	-	0.27	293.37	14.32	13.94	107.49	-	30.55	14.32	479.63
Depreciated Assets at year end	-	-	(247.65)	(1,244.02)	-	(116.40)	(17.47)	-	-	(1,381.54)
As at 31 March 2022	-	21.13	26,429.21	51,698.13	1,286.37	1,433.06	2,107.83	3,431.76	429.18	63,012.28
During the year	-	0.27	407.29	4.82	13.05	24.74	40.40	0.04	13.84	181.26
Depreciated Assets at year end	-	-	(413.44)	(603.40)	(1.91)	(114.02)	-	-	-	(1,132.77)
As at 31 March 2023	-	21.40	26,423.04	51,107.01	1,290.46	1,713.80	2,150.23	3,434.01	463.23	64,112.20
As at 31 March 2022	1,086.37	0.54	894.31	1,454.01	42.86	203.19	105.01	0.09	13.44	3,811.61
As at 31 March 2023	1,584.37	0.27	320.17	1,381.47	64.77	164.56	176.18	0.04	34.57	3,116.36





## Notes forming part of Financial Statements

## 2.4 Loans

(In Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current*	Non-Current	Current*
<b>Unsecured, considered good</b>				
Amount in Federal Debt	20,713.81	-	20,767.88	-
<b>Total</b>	20,713.81	-	20,767.88	-

## 2.5 Other Financial Assets

(In Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current*	Non-Current	Current*
<b>Unsecured, considered good</b>				
Bank Deposits, with more than 12 months maturity	643.24	-	278.91	-
Interest Money Deposits	197.82	30.92	247.91	25.88
Recurrent Money Deposit	2,091.04	1,376.57	1,445.00	753.10
Other receivables from Related Parties	745.77	2,800.25	1,184.74	1.02
Security Deposit	81.83	512.28	298.26	174.52
Markets money and other deposits with banks	1,291.69	-	1,233.15	-
Refinance Receivables	4,748.54	787.47	14,375.71	1,848.62
<b>Total</b>	9,674.97	4,892.97	20,021.39	3,848.12

## 2.6 Deferred Tax Asset / (Liability) (net)

(In Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Asset</b>		
Opening Balance	2,366.28	4,536.31
Change during year	2,602.60	(1,870.19)
<b>Total</b>	4,968.88	2,666.12

## 2.7 Other Non-Current Assets

(In Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current*	Non-Current	Current*
Advance to suppliers and subcontractors	11,485.63	11,432.09	14,668.59	6,312.64
Other	413.61	-	2,593.76	-
Other Deposits	-	15.92	0.55	0.36
Interest Accrued on Deposits	1.88	-	2.39	-
Advance to Related Parties	1,855.54	-	1,228.52	-
<b>Total</b>	14,756.66	11,448.01	18,495.51	6,313.00

## 2.8 Inventories

(In Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Raw Materials</b>	218.23	242.42
<b>Total</b>	218.23	242.42

## 2.9 Trade Receivables

(In Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Un Secured, Considered good</b>		
<b>Trade Receivables</b>		
From Related Parties	-	-
From Others	701.66	1,295.82
From Joint Ventures	119.23	-
<b>Total</b>	820.89	1,295.82

Category	Deduction for following periods from due date of payment (31.03.2023)					
	Less than 6 months	From 6 to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Unsecured Trade receivables - considered good	418.15	-	-	-	-	418.15
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Unsecured Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Unsecured Trade Receivables - considered good	-	-	-	-	-	-
(v) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	418.15	-	-	-	-	418.15

Category	Deduction for following periods from due date of payment (31.03.2022)					
	Less than 6 months	From 6 to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Unsecured Trade receivables - considered good	1,295.82	-	-	-	-	1,295.82
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Unsecured Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Unsecured Trade Receivables - considered good	-	-	-	-	-	-
(v) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	1,295.82	-	-	-	-	1,295.82

**Table forming part of Financial Statements**
**3.10 Cash and Cash Equivalents**

	(In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Cash on hand	4.28	4.76
<b>Balances with Banks</b>		
in Current Accounts	208.15	661.54
Other Deposits	53.17	51.11
Fixed Deposits Available	5.42	30.80
<b>Total</b>	<b>271.02</b>	<b>748.21</b>

**3.11 Other Financial Assets**

	(In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Financial Money Market	1,006.27	721.33
Other investments from Related Parties	3,456.19	3.00
Security Deposits	712.25	178.20
Advances Receivable	207.47	1,845.54
Banked Money Deposits	10.32	25.90
<b>Total</b>	<b>5,392.50</b>	<b>3,565.07</b>

**3.12 Current Tax Assets(Net)**

	(In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Tax Receivable	5,166.79	2,075.25
<b>Total</b>	<b>5,166.79</b>	<b>2,075.25</b>

**3.13 Other Current Assets**

	(In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Other Deposits	13.32	6.76
Advances to suppliers, sub-contractors and others	11,297.74	8,112.57
Interest Receivable Deposits	-	-
Advances to Related Parties	-	-
<b>Total</b>	<b>11,311.06</b>	<b>8,119.33</b>

**3.14 Equity Share Capital**

	(In Lakhs)			
	Number of Shares	As at March 31, 2023	Number of Shares	As at March 31, 2022
<b>Authorized</b>				
Equity Shares of ₹ 1 each	-	2,000.00	21,00,00,000	2,000.00
Preference Shares of ₹ 100 each	-	2,000.00	21,00,00,000	2,000.00
<b>Total</b>	-	<b>4,000.00</b>	-	<b>4,000.00</b>
<b>Issued, Subscribed and Called up Capital</b>				
Equity Shares of ₹ 1 each	-	742.81	7,42,81,940	742.81
<b>Fully paid up Capital</b>				
Equity Shares of ₹ 1 each	-	100.55	7,37,86,940	100.55
Add: Unpaid Shares Against equity paid up	-	632.26	-	642.26
<b>Total</b>	-	<b>742.81</b>	-	<b>742.81</b>

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

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	7,37,84,940	737.65	7,37,84,940	737.65
Add: Equity Shares offered during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>7,37,84,940</b>	<b>737.65</b>	<b>7,37,84,940</b>	<b>737.65</b>

**b) Rights/ Rights attached to Shares:**

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

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

**c) Details of shares held by shareholder holding more than 1%**

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of share holding	Number of shares held	% of share holding
1) Sri. Nageswara Rao	1,07,32,260	14.54	1,07,32,260	14.54
2) M/s. Madhucan Limited	80,44,000	10.90	80,44,000	10.90
3) Sri. Nageswara Rao	51,24,000	6.94	51,24,000	6.94

**Table showing part of Financial Statements**

Sl. No.	Share held by members at the end of the year			% Change during the year
	Member name	No. of Shares	Face Value	
1	NAMA SOLECHIE LAD	1,07,30,298	10,73,02,980	-
2	REYEMAR NAMA	2,490	24,900	-
3	KATHIRAMATHI NAMA	462,327	4,62,32,700	-
4	CHANDREY NAMA	11,46,826	1,14,68,260	-
5	NAMA CHANDRASEKAR	41,29,889	4,12,98,890	-
6	REYANATHAN NAMA	10,00,000	1,00,00,000	-
7	REYANATHAN NAMA	6,67,310	6,67,31,000	-
8	REYANATHAN NAMA	42,580	4,25,800	-
9	REYANATHAN NAMA	19,11,460	1,91,14,600	-
10	REYANATHAN NAMA	3,00,000	3,00,00,000	-
11	TARUN NAMA	56,76,238	5,67,62,380	-
12	NAMA REEMAN	11,46,826	1,14,68,260	-
13	NAMA RISHABH	26,09,999	2,60,99,990	-
	As-Of-Date Shareholders			
14	MADHUCON QUANTIS LIMITED	46,11,889	4,61,18,890	-
15	NAMA INVESTMENTS LIMITED	36,61,610	3,66,16,100	-
16	SOH DARA INVESTMENTS PRIVATE LIMITED	726,331	7,26,33,100	-
	<b>Total</b>	<b>1,34,99,251</b>	<b>13,49,92,510</b>	

**2.15 Other Equity**

(Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
<b>(A) Securities Premium</b>		29,313.07		29,313.07
<b>(B) General Reserve</b>				
Opening Balance			5,061.83	
Add: Transfer from Surplus to Statement of Profit and Loss	5,061.83			
Closing Balance		5,061.83		5,061.83
<b>(C) Reserve in Statement of Profit and Loss</b>				
Opening Balance	18,290.80		13,282.17	
Add: Profit for Year	44.31		(3,781.33)	
Transfer to Reserves				
Less: Appropriations				
Dividend Declared				
Reserve for Debenture Tax				
Transfer to General Reserve				
Closing Balance		18,335.11		18,300.84
<b>(D) Other Components of Equity</b>				
Reclassification of the Employee Defined Benefit Plan	110.66		62.16	
Expected credit loss on fair valuation of financial assets	(311.77)		(312.70)	
Increase/Decrease in borrowing cost provision in application of IFRS 9 to interest rate method	(140.02)		(140.02)	
		(341.13)		(341.56)
<b>Total (A)-(D) equity</b>		<b>32,480.27</b>		<b>32,191.26</b>

**2.16 Trade Payables**

(Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current *	Non-Current	Current *
<b>To Suppliers and Services</b>	690.51	45,714.15	643.41	43,377.15
(a) Total outstanding dues of firms enterprises and small enterprises, etc.				
(b) Total outstanding dues of creditors other than micro, small and medium enterprises				
<b>Retention Money Deposits</b>	2,351.97	2,355.23	2,350.28	2,196.94
(a) Total outstanding dues of firms enterprises and small enterprises, etc.				
(b) Total outstanding dues of creditors other than micro, small and medium enterprises				
<b>Others</b>	4,171.80	6,115.02	1,176.66	7,603.90
(a) Total outstanding dues of firms enterprises and small enterprises, etc.				
(b) Total outstanding dues of creditors other than micro, small and medium enterprises				
<b>Total</b>	<b>7,214.28</b>	<b>48,014.38</b>	<b>7,270.35</b>	<b>49,023.31</b>

With reference to Para No. 2.16 & 2.15, the company (herein) received any communication about the Admitted status of the trade payables before or classification trade payables of liability shall not be revealed as at 31st March 2022 by trade payables - current advances and term deposits through the management has required for the continuation of business. Management believes that no material adjustments would be required in books of accounts upon receipt of these communications.

Particulars	Outstanding the following periods from the date of balance sheet 2022-23				
	Last 12 months	12 months	3-7 years	More than 7 years	Total
18,16,000					
18,16,000	29,020	71,74	1,297.01	1,229.70	7,013.0
(a) Payable from MPEE					
(b) Payable from Others	29,020	71,74	1,297.01	1,229.70	7,013.0

## Notes forming part of Financial Statements

Particulars	Outstanding on following periods from the last of quarter (31.03.2023)				Total
	Less than 1 year	1-2 years	3-5 years	More than 5 years	
Interest on Loans Interest on Deposits Interest on Financial Assets	75.08	1,997.09	375.15	1,997.22	5,204.54
	75.08	1,997.09	375.15	1,997.22	5,204.54

## 2.17 Other Financial Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current *	Non-Current	Current *
Interest Accrued and Finance Charges		1,997.09		1,997.22
Dividend Payable		4.78		25.93
Payable to Related Parties				
Other Payables	71.22	11,985.14	73.54	7,170.99
<b>Total</b>	<b>71.22</b>	<b>13,986.98</b>	<b>73.54</b>	<b>8,725.74</b>

\* Refer Note No 2.22 for Other Current Financial Liabilities

## 2.18 Provisions

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	74.73	76.74
Compensated Absences	13.41	26.77
<b>Total</b>	<b>119.56</b>	<b>133.91</b>

## 2.19 Other Non-Current Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current *	Non-Current	Current *
Modification Reserve	945.24	2,116.41	1,301.17	2,194.33
Shareway Advances	-	591.56	-	516.26
Warranty Advances	8.72	-	8.72	-
Retention/Retention Advances	-	245.24	-	206.84
Other Advances from Related Parties	-	21,082.98	-	20,822.31
<b>Total</b>	<b>953.96</b>	<b>24,035.99</b>	<b>1,310.89</b>	<b>23,739.74</b>

## 2.20 Borrowings

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Loans repayable on demand</b>		
Term Loan		
Term Deposits	49,836.35	47,847.73
Current maturities of long term debt (MRECI)	4,208.69	4,828.69
<b>Total</b>	<b>54,045.04</b>	<b>52,676.42</b>

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

- First part given by pledging charge to all existing capital assets in Multiple Banking Arrangement on all existing and future assets.
- Second part, portion of the fixed assets of the Company both secured and finance.

\* Secured by hypothecation of Assets owned/used/leased.

Outstanding balances as on March 31, 2023

Name of the Bank	As at	As at
	March 31, 2023	March 31, 2022
SBI Bank	20,722.55	23,375.15
State Bank of India	4,214.36	4,603.75
Federal Bank Ltd	3,241.70	3,241.20
Citic Mahindra Bank	2,076.29	4,839.29
HDFC Bank	1,487.49	1,655.85
Bank of India	2,561.18	4,211.20
AXIS Bank	373.62	8,803.74
Canara Bank	3,451.76	3,431.24
<b>Total</b>	<b>44,829.25</b>	<b>67,287.73</b>

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

Details of delay in repayment of principal and interest to banks and Financial Institutions as on March 31, 2023

Name of the Bank / Financial Institution	Principal (₹ in Lakhs)	Period of delay	Interest (₹ in Lakhs)	Period of delay
Bank of India	3,041.70	2402 days	-	-
HDFC Bank	3,274.74	1972 days	548.79	1972 days
State Bank of India	4,074.82	2310 days	168.50	2300 days
Citic Mahindra Bank	2,076.29	2,803 days	-	-
Federal Bank Ltd	3,091.30	1,811 days	249.73	1811 days
SBI Bank	16,825.25	3968 days	4,167.10	3968 days
Axis Bank Limited	384.17	1430 days	38.25	1430 days
Canara Bank	3,728.58	1817 days	193.40	1817 days

Since the company has defaulted in repayment of borrowings to banks, these were classified as NPA by banks. Hence certain borrowings are shown as Current Liabilities

## Below forming part of Financial Statements

## 2.21 Trade Payables

	(IN Lakhs)	
	As at March 31, 2023	Year ended March 31, 2022
<b>For Supplies and Services</b>		
(i) Trade payables due of more companies and small enterprises, and		
(ii) Total outstanding dues of creditors other than more companies and small enterprises	35,744.38	47,247.33
<b>Retention Money Deposits</b>		
(i) Total outstanding dues of more companies and small enterprises and		
(ii) Total outstanding dues of creditors other than more companies and small enterprises	3,359.32	3,794.95
<b>Others</b>		
(i) Trade payables due of more companies and small enterprises, and		
(ii) Total outstanding dues of creditors other than more companies and small enterprises	1,435.03	2,405.95
<b>Total</b>	<b>40,538.73</b>	<b>53,448.23</b>

	Particulars	Outstanding for following periods from the date of payment of 31.03.2023				
		Up to 30 days	31 days	2-3 years	More than 3 years	Total
	(i) More Companies	15,427.08	9,096.03	1,077.41	9,794.86	35,395.38
	(ii) Deposits from Government - Other					
		<b>15,427.08</b>	<b>9,096.03</b>	<b>1,077.41</b>	<b>9,794.86</b>	<b>35,395.38</b>

	Particulars	Outstanding for following periods from the date of payment of 31.03.2022				
		Up to 30 days	31 days	2-3 years	More than 3 years	Total
	(i) More Companies	9,267.08	13,997.47	2,466.30	3,337.54	29,068.39
	(ii) Deposits from Government - Other					
		<b>9,267.08</b>	<b>13,997.47</b>	<b>2,466.30</b>	<b>3,337.54</b>	<b>29,068.39</b>

## 2.22 Other Financial Liabilities

	(IN Lakhs)	
	As at March 31, 2023	Year ended March 31, 2022
Interest Accrued and Due on Borrowings	1,065.45	1,065.45
Deposit Dividend Securities	8.75	25.00
Other Liabilities	11,665.54	1,735.65
<b>Total</b>	<b>12,739.74</b>	<b>2,826.10</b>

## 2.23 Other Current Liabilities

	(IN Lakhs)	
	As at March 31, 2023	Year ended March 31, 2022
Balance Received in advance	245.79	875.81
Subsidies/Advances	2,716.43	2,744.81
Monies Advances	206.56	318.38
Other Advances from Related Parties	11,405.18	29,477.81
<b>Total</b>	<b>14,673.96</b>	<b>33,406.81</b>

## 2.24 Provisions

	(IN Lakhs)	
	As at March 31, 2023	Year ended March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	66.33	90.15
Compounded provisions	14.76	18.29
<b>Other Provisions</b>		
Provision for Bad debts	4,138.46	6,536.26
Provision for others	1,879.58	104.67
<b>Total</b>	<b>6,299.13</b>	<b>13,679.37</b>

## 2.25 Current Tax Liabilities (Net)

	(IN Lakhs)	
	As at March 31, 2023	Year ended March 31, 2022
ITD Payable	837.44	1,312.26
<b>Total</b>	<b>837.44</b>	<b>1,312.26</b>

## 2.26 Revenue from Operations

	(IN Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Income from Contracts and Services	99,348.08	99,431.67
Other Operating Income	2,241.85	10,151.23
<b>Total</b>	<b>101,589.93</b>	<b>109,582.90</b>

## 2.27 Other Income

	(IN Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income	58.73	113.64
Profit on Sale of Asset	65.23	419.35
Dividends/With Divid	1,213.32	635.26
Manufacturing Income	2,896.43	1,665.11
<b>Total</b>	<b>4,333.71</b>	<b>2,433.36</b>

## Notes forming part of Financial Statements

## 2.28 Cost of Materials Consumed and Work Expenses

(₹ in Lakhs)

	Year ended March 31, 2023		Year ended March 31, 2022	
Construction Materials, tools and spares				
Opening Stock	882.43		1,316.87	
Add: Purchases	14,201.59		8,428.78	
Less: Closing Stock	219.21		252.52	
<b>Total Consumption</b>		<b>14,864.81</b>		<b>9,493.13</b>
Work Expenses	63,227.24	63,227.24	62,138.12	62,138.12
<b>Total</b>		<b>77,912.05</b>		<b>71,631.25</b>

## 2.29 Employee Benefits Expense

(₹ in Lakhs)

	Year ended March 31, 2023		Year ended March 31, 2022	
Salaries & Wages and Bonus		1,732.72		1,515.81
Contributions to provident fund and other funds		69.76		5.27
Short Term Employee Benefits		194.52		181.72
<b>Total</b>		<b>1,997.00</b>		<b>1,702.80</b>

## 2.30 Finance Cost

(₹ in Lakhs)

	Year ended March 31, 2023		Year ended March 31, 2022	
Interest Expense		202.97		417.54
<b>Total</b>		<b>202.97</b>		<b>417.54</b>

## 2.31 Other Expenses

(₹ in Lakhs)

	Year ended March 31, 2023		Year ended March 31, 2022	
Rent		346.64		845.63
Books & Stationery		28.77		40.95
Traveling Expenses		147.26		87.81
Security Expenses		119.41		85.82
Insurance Charges		172.12		70.01
Depreciation Charges		281.28		434.26
Analysis written off		21,876.66		3,983.28
Other Administrative Expenses		57.12		203.67
Foreign Exchange Loss		447.83		372.64
Bad Debts Written off		-		4,531.55
Bank Guarantee Cancellation		266.48		712.40
ESD (net of tax)		-		1,410.75
<b>Total</b>		<b>24,411.54</b>		<b>19,098.87</b>

## 2.32 Contingent Liabilities not provided for:

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
1	Bank Guarantees**	24,105.61	19,929.38
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	-	8,526.29
3	Disputed Sales Tax (on appeal)	637.42	687.42
4	Entry Tax	8.85	8.85
5	Service Tax	1,655.75	1,655.75
6	Provident Fund	1,083.64	-
7	The Company is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable

\*\* Includes issued on behalf of Subsidiaries and Joint Ventures 10,157.85 10,157.85



## Madhucon Projects Limited

### Notes forming part of Financial Statements

#### 2.33 Employee benefits

**Gratuity:** The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of Madhucon. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to these defined benefit plan are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market risk.

**Provident Fund:** Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

#### 2.34 Remuneration to auditors:

		(₹ in Lakhs)	
S.No	Particulars	2022-23	2021-22
1	Statutory Audit Fee	8.00	8.00
2	Tax Audit Fee	2.00	2.00
3	GST Audit Fee	3.00	3.00

#### 2.35 Segment Reporting:

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

#### 2.36 Disclosure in accordance with Ind AS 11 Construction contracts

Particulars	(₹ in Lakhs)	
	2022-23	2021-22
Contract revenue recognized	86,338.99	60,431.64
Aggregate of contract costs incurred and recognized profits (less recognized losses) up to the reporting date for Contracts in progress	5,61,627.75	3,63,034.86
Amount of advances received for contracts in progress	2,975.12	3,238.27
Amount of retention money for contracts in progress	154.24	1,058.26
Gross amount due from customers for contracts in progress	414.15	1,667.75

**2.37 Micro & Small Enterprises:** The Company has not identified the enterprises which have provided goods and services which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31<sup>st</sup> March, 2023 has not been made in the financial statements. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.



**Madhucon Projects Limited**  
**Notes forming part of Financial Statements**

**2.38 Earnings per Share:**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit after tax available for equity shareholders	446.11	(3,381.33)
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Face Value per Share (₹)	1.00	1.00
Basic and Diluted EPS * (₹)	0.60	(4.58)

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

**2.39 Related Party Transactions:**

**1. Following are the list of related parties**

S.No.	Particulars
	<b>Subsidiaries</b>
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) Barasat-Krishnagar Expressways Ltd (audited by others)
	e) Ranchi Expressways Ltd (audited by others)
	f) Vijayawada-Machilipatnam Limited (audited by others)
	g) Rajauli-Bakhtiyapur Expressways Limited (audited by others)
	h) Chhapra-Hajipur 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





**Madhucon Projects Limited**  
**Notes forming part of Financial Statements**

**(II) Related party transactions during the year as follows**

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Revenue from Contracts and Services</b>		
Step-down subsidiaries	2,659.68	2,070.57
Jointly Controlled/entities and ventures	642.23	6,177.94
<b>Remuneration</b>		
Key Management Personnel	134.53	124.38
Director Sitting Fee	1.75	1.30
<b>Loans/Advances Given</b>		
Subsidiaries	(6,740.22)	604.28
Step-down subsidiaries	957.69	(983.97)
Jointly Controlled/entities and ventures	2544.41	2,251.68
<b>Loans/Advances Received</b>		
Subsidiaries	530.97	-
Step-down subsidiaries	1,476.78	2,373.37
Associates	-	2,809.84
Enterprises owned or significantly influenced by key management personnel or their relatives	-	1,273.19
<b>Retention Money</b>		
Step-down subsidiaries	132.98	-
Jointly Controlled/entities and ventures	35.21	12.41

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

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Trade Receivables</b>		
Step-down subsidiaries	7,952.77	7,036.77
Jointly Controlled/entities and ventures	110.49	428.72
<b>Outstanding Receivables</b>		
Subsidiaries	16,146.21	23,412.91
Step-down subsidiaries	2,256.50	2,214.81
Associates	-	473.65
Jointly Controlled/entities and ventures	-	12.41
Key Management Personnel	64.78	49.33
Enterprises owned or significantly influenced by key management personnel or their relatives	-	3,590.79
<b>Outstanding Payables</b>		
Subsidiaries	4.50	
Step-down subsidiaries	15,786.78	14,310.00
Key Management Personnel	-	0.48
Enterprises owned or significantly influenced by key management personnel or their relatives	-	153.02
<b>Corporate Guarantees</b>		
Subsidiaries		8,526.29
<b>Bank Guarantees</b>		
Step-down subsidiaries	4,335.00	4,335.00
Jointly Controlled/entities and ventures	5,822.85	5,822.85



## **Madhucon Projects Limited**

### **Notes forming part of Financial Statements**

- 2.40** Some of the Bank Accounts at closed projects which are in dormant and have not been reconciled due to non-availability of statements.
- 2.41** Some of the entries as per 26AS not reflected in books of accounts and the same is under reconciliation with books of account.
- 2.42** One Financial creditor appeal is pending with NCLAT.
- 2.43** Certain accounts are pending from long times which are not recoverable/payable as per limitation Act, passed necessary entries in books of accounts.
- 2.44** A portion of the balance receivable from Madhucon Infra Limited (subsidiary company) has been written off in the books of account based on the internal assesment.

#### **2.45 Going Concern**

In Preparing the financial statements the Board of Directors have considered the operations of the Company as going concern notwithstanding that the Company incurred a net loss of Rs. 1,561.58 Lakhs (Previous Year a net loss Rs. 3,361.88 Lakhs) for the financial year ended 31st march 2023, and as at that date, the Company is in net current liabilities position of Rs. 1,53,604.93 Lakhs (Previous year Rs. 1,85,349.72 Lakhs). The Company is also in net liabilities position of Rs. 1,61,954.98 Lakhs (Previous Year : Rs. 1,94,118.70 Lakhs ) as at 31st March 2023 and has defaulted in payments of dues to Banks. However, the management believes the use of going concern assumption on the preparation of the financial statements of the company is still appropriate in view of implementation of OTS agreements already entered into in case of some banks, and its continuing discussions with its lenders to obtain approval for and an appropriate debt resolution plan and also, that the company will continue to be in operation in the foreseeable future.

**2.46** Since OTS Process in some of the banks are under completion for which corresponding entries yet to be passed in the books of accounts.

#### **2.47 Additional Regulatory Information**

- i) Title Deeds of all immovable properties are held in the name of the company.
- ii) The Company is not in possession of any Investment property.
- iii) The Company has not revalued any of its Property, Plant and Equipment during the year.
- iv) No loans and advances were granted to promoters, directors, KMPs
- v) There is no capital work-in-progress.
- vi) There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder



## Madhucon Projects Limited

### Notes forming part of Financial Statements

- vii) The company has borrowings from banks on the basis of security of current assets but those borrowings have been declared as NPAs by the banks and hence there are no returns or statements filed by the company.
- viii) The company was not declared as a willful defaulter by any bank or financial institution.
- ix) The company did not enter into any transactions with struck off companies.
- x) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period
- xi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017,
- xii) There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

#### **xiii) Utilization of Borrowed funds and share premium:**

(A) The company didn't advance or lend or invest funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign

entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

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

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

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

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

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

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



**Madhucon Projects Limited**  
**Notes forming part of Financial Statements**

**xiv) Ratios**

Sl no	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
1	Current Ratio	Current assets	Current liabilities	0.159	0.090	77%
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.931	3.465	15%
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.595	0.194	207%
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	0.008	(0.064)	113%
5	Trade receivables turnover ratio	Revenue	Average Trade Receivable	11.696	10.262	14%
6	Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	1.603	0.814	97%
7	Net capital turnover ratio	Revenue	Working Capital	(0.697)	(0.418)	67%
8	Inventory Turnover Ratio	Revenue	Average Inventory	303.986	83.120	266%
9	Net profit ratio	Net Profit	Revenue	0.005	(0.048)	110%
10	Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed	(0.023)	(0.020)	19%
	<b>Return on Investment(ROI)</b>					
11	Unquoted	Income generated from investments	Time weighted average investments	NIL	NIL	There was no income from the investments
12	Quoted	Income generated from investments	Time weighted average investments	NIL	NIL	There was no income from the investments

**Current Ratio**

Current Ratio is improved due to come down of Current Liabilities due to settlement/ payment of some of the liabilities and also slight increase in the Current Assets.

**Debt Service Coverage Ratio**

Significant improvement in the ratio due to increase in the revenue from operations and reduction in the liabilities by clearing long pending dues.

**Return on Equity Ratio**

Improvement in the Return on Equity Ratio due to positive figure of Deferred Tax which affected the profitability.

**Trade payables turnover ratio**

Improvement in the Ratio due to reduction in the Trade Payables by clearing the Trade creditor's dues.



**Madhucon Projects Limited**  
**Notes forming part of Financial Statements**  
**Comments:**

**Net capital turnover ratio**

Net Capital Turnover Ratio is improved due to increase in the Sales turnover and reduction in liabilities by clearing the dues.

**Inventory turnover ratio**

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

**Net profit ratio**

Net profit Turnover Ratio is improved due to reduction of the net loss to the company and improvement in the sales turnover.

**xv) Undisclosed Income**

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

**xvi) Corporate Social Responsibility**

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

**xvii) Details of Crypto Currency or Virtual Currency**

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

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

**In terms of our report attached**

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

**A. Krishna Rao**  
Partner  
Membership Number 020085  
UDIN : 23020085BGQFZ8683

Place : Hyderabad  
Date : May 16, 2023

**For and on behalf of the Board**

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

**Mohammad Shafi**  
Whole-time Director  
DIN-07178265

**K. Venkateswari**  
Director cum CFO  
DIN-09713108

**D. Malla Reddy**  
Company Secretary  
ACS: 9559



# **CONSOLIDATED FINANCIAL STATEMENTS**

## **2022-2023**



## INDEPENDENT AUDITOR'S REPORT

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

### 1. Qualified opinion

We have audited the accompanying consolidated Ind AS financial statements of **MADHUCON PROJECTS LIMITED** (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS financial statements').

The Consolidated Financial statements includes the following entities

#### Subsidiaries

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

#### Subsidiaries of Madhucon Infra limited

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

#### Associate

1. Madhucon Properties Limited (Ceased to be associate w.e.f 13-02-2023 and hence not considered for consolidation)

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Consolidated Ind AS financial statements give



the information required by the Companies Act, 2013('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, its consolidated loss and consolidated total comprehensive income , consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## 2. Basis for Qualified Opinion

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

- i. We refer to the carrying value of investments of Rs 1,34,212.99 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 5624.18 lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. We are unable to comment upon the carrying value of investments and loans & advances whether any provision for impairment in the value of investments and loans & advances is required; the effect of same upon the profitability could not be ascertained in the absence of fair valuation.
- ii. "The Company "has written back Trade Payables amounting to Nil and Rs 10,001.95 lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- iii. "The Company "has written back Other Payables amounting to Rs 873.94 lakhs and Rs 1,211.82 lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- iv. "The Company "has written off loans, advances and other investments from Related Parties amounting to Rs 4,306.13 Lakhs and Rs 18,530.32 Lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- v. "The Company "has written off advances from Other Parties amounting to Rs 2,298.31 Lakhs and Rs 3,446.54 Lakhs for the quarter ended 31st March, 2023 and for the Year ended 31st March, 2023 respectively.
- vi. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- vii. "The company has defaulted in repayment of dues to Banks and financial institutions amounting to Rs 48,839.25 lakhs and Rs 4,508.69 lakhs respectively as per books of account and the same were classified as NPA by the lenders. Interest on these loans have not been provided for the FY 2018-19 to FY 2022-23. However, Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account and the effect of same has not been quantified and as such the impact of the same on profitability could not be ascertained.

Balance Confirmation in respect of the loans from banks have not been obtained.





- vii. As per note in financial statement, in case of one financial creditor, Petition is pending in NCLAT.
- ix. Undisputed Statutory dues in case of following are outstanding carried from previous Year:

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	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2020-21	95.73
3	Value Added Tax	VAT payable	2013-14 to 2017-18	9.77
4	Works Contract Tax	Works Contract Tax	2014-15 to 2017-18	611.42

- x. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration of Rs. 104.51 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.
- xi. The turnover and input credits as per the books of account are subject to reconciliation with the GST returns filed.
- xii. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023. Internal auditor has not been appointed for the period from October 2022.
- xiii. The Company has not produced Title Deeds in respect of certain immovable properties (lands) held.
- xiv. "The Company" has given a Bank Guarantee for Rs 1,224.33 Lakhs on behalf of its step-down subsidiary "Vijayawada-Machilipatnam Expressways Limited" in favor of NHAI and the same was invoked in FY 2014-15 by NHAI. The Company has accounted the invoked amount as receivable from "Vijayawada-Machilipatnam Expressways Limited" and subsequently "The Company" has written off the same by charging it to "Statement of Profit and Loss" in FY 2015-16.
- Consequent to receipt of claims on arbitration by "Vijayawada-Machilipatnam Expressways Limited", an amount of Rs 1,955.00 lakhs was paid by "Vijayawada-Machilipatnam Expressways Limited" to "The Company", against the invocation of Bank Guarantee, which is offered as income during the quarter ending 30-06-2022.
- xv. In case of "Ranchi Expressways Ltd (REL)", a step-down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently,



the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress.

- xvi. As per the press release dated 02-07-2022 and 17-10-2022 The Directorate of Enforcement has provisionally attached 105 immovable properties and 28 other assets worth Rs 96.21 Crore and Rs 80.65 Crore respectively belonging to Madhucon Group of companies, its directors and promoters in a case against M/s Ranchi Expressway Ltd, under the provisions of PMLA, 2002. Further investigation is going on.
- xvii. 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.
- xviii. Balance confirmation of current accounts, which have become Dormant, are not obtained in case of Bank Branches at various project sites.

### **Matters Relating to Going Concern**

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

### **Emphasis of Matter**

"The Company" has offered Rs. 259.60 Lakhs as Revenue during the year which was an Advance received against work bills from a step-down subsidiary.

Our opinion is not modified with in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

We have determined the matters described below to be the key audit matters to be communicated in our report.

- The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded.

### **How the matter was addressed in our audit:**

We have examined the key controls in place for making investments in subsidiaries. We assessed the net worth of subsidiaries on the basis of latest available financial statements. In the absence of fair valuation of investments, taken into account the



management representations made for the internal assessments and initiatives to be implemented to improve the working of the subsidiaries basing on which they are of the view that the carrying value of the investments and loans and advances are realizable at the value stated in the books and no impairment is considered.

- "The Company" has defaulted in repayment of dues to Banks and financial institutions All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 to 2022-23. Dues in case of some banks were settled through "One time settlement", but entries in respect of OTS have not been passed in the books of account.

**How the matter was addressed in our audit :**

Dues in case of some of the banks were settled through "One time settlement" but entries in respect of OTS have not been effected in the books of accounts due to Procedural Formalities as explained by the management. However the same has been qualified in our Audit Report (Clause 7 of Basis for Qualified Opinion).

**B. In case of the Subsidiaries, matters as reported in their respective financials are reproduced below:**

**a) Madhucon Infra limited**

- i. We refer to the carrying value of investments of Rs 16,008.20 lakhs held in subsidiaries/other companies and unsecured loans and advances of Rs 51,966.08 lakhs given by the company to its subsidiaries/other companies, Some of these have been incurring losses and in case of some of the subsidiaries, net worth was fully or substantially eroded / Going Concern is affected. The Company has made provision for impairment on the basis of internal evaluation. But, in the absence of fair value, we cannot ascertain whether the impairment made is adequate.
- ii. Loan from Financial Creditor amounting to Rs 1057.91 lakhs is written back during the year offering it as income, as the management is of the opinion that amount is due from long time and is no longer payable.
- iii. Loan from Ramky Enviro Engineers Limited amounting to Rs 570.66 lakhs is written back during the year offering it as income, as the management is of the opinion that amount is due from long time and is no longer payable.
- iv. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs.190.96 Crores vide its letters dated February 24th,2020. In terms of settlement, OTS amount of Rs.70 Crores was to be paid by the company in three instalments. However, the company made total payment of 15.5 crores up to 31st March,2023 and has represented to IFCI to reduce the OTS amount from Rs 70 Crores to Rs 51 Crores and the proposal is under process with IFCI. Interest has not been provided on the amounts payable to IFCI for the current FY 2022-23 and the same is not quantified by the management.

- v. Internal Audit has not been conducted for the period 01st April 2022 to 31st March 2023.
- vi. Balances as at 31 March,2023 in respect of certain Debtors and Creditors in case of some of the subsidiaries are subject to Confirmation and Reconciliation.
- vii. 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 17.49 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.
- viii. a) Investments in Simhapuri Energy Limited amounting Rs 74,300.06 lakhs has been written off during the year, for which provision of 100% already made in earlier years.
- b) Investments in Trichy-Thanjavur Expressways Limited amounting Rs 3,519.32 lakhs has been written off during the year, for which provision of Rs 528.05 lakhs already made in earlier years.
- c) Investments in Madhucon Toll Highways Limited amounting Rs 29,306.77 lakhs has been written off during the year, for which provision of Rs 4,396.02 lakhs already made in earlier years.

### **Matters Relating to Going Concern**

Madhucon Infra Limited, which is a subsidiary to "the company", has accumulated losses and also, current liabilities exceeded current assets and the company has defaulted in respect of installments and interest on loans and debentures, affecting the company's ability to continue as a going concern. However in view of what is stated in the note, the management believes that the use of going concern assumption is still appropriate and that the subsidiary will continue to be in operation in the foreseeable future.

### **Emphasis of Matter**

- The company has not appointed company secretary.  
Our opinion is not modified in respect of above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

We have determined the matters described below to be the key audit matters to be communicated in our report

- The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded.



#### How the matter was addressed in our audit:

Provision for impairment was made by the company on the basis of internal evaluation.

#### (b) Madhucon Mega Mall Private Limited

- i. Has written off capital work in progress amounting to Rs 3,577.47 Lakhs.
- ii. Has written back deemed equity amounting to Rs 3,500.00 Lakhs.

#### Matters Relating to Going Concern

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

#### (c) Nama Hotels Private Limited

- i. Has written back deemed equity amounting to Rs 5,500.00 Lakhs.
- ii. Has written off capital work in progress amounting to Rs 6,890.33 Lakhs.

#### (d) Madhucon Heights Private Limited

- i. Has settled outstanding amount of Rs 9,047.76 lakhs under OTS with Axis Bank.
- ii. In absence of valuation report of capital work in progress, the realizable value is not ascertainable. However as per the management representation, the case in connection therewith is still pending in the Hon'ble High court of Telangana.

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

### 3. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the

accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its Associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the holding company as aforesaid.

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

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

#### **4. Auditor's Responsibility for the Consolidated Ind AS Financial Statements**

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

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

- i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### 5. Other Matter Paragraph:

- a) We did not audit the financial statements and other financial information of one subsidiary, seven step down subsidiaries included in the statement, whose financial statements together comprise total assets, before elimination, of Rs.3,52,355.05 Lakhs as at March 31, 2023, total Revenue of Rs. 55,507.07 Lakhs and Rs. 76,273.66 Lakhs and total Loss & total Comprehensive Income of Rs. 20,681.81 Lakhs and 31,435.13 Lakhs for the quarter ended 31<sup>st</sup> March 2023 and for the period from 01-04-2022 to 31-03-2023 respectively. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.
- b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign stepdown subsidiary of the company included in the statement, whose financial statements comprise total assets, before elimination, of Rs. 6189.13 Lakhs as at March 31, 2023, total Revenue of Nil and Rs 5.76 Lakhs and total Loss & total Comprehensive of Rs. 547.60 Lakhs and 2,713.31 Lakhs for the quarter ended 31<sup>st</sup> March 2023 and for the period from 01-04-2022 to 31-03-2023. The Financial statements / financial information of this company are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Foreign step down subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far it relates to the aforesaid stepdown subsidiary, is based solely on such unaudited financial statements / financial information.

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

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

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

##### Material Uncertainties Relating to Going Concern

Barasat - Krishnagar Expressways Limited (BKEL) was formed for undertaking the





work of Four Laning of Barasat - Krishnagar Section of NH- 34 (km. 31.000 to km. 115.000) on Design, Build, Finance, Operation & Maintenance and Transfer (DBFOT-Annuity) basis. As per clause No.10.3.1 of Concession Agreement, at the time of declaration of appointed date NHA has to handover 80% of Right of Way to the Concessionaire. But even after 36 months NHA has not handed over 80% of Right of Way and only 52.36% of Right of Way was handed over to the Concessionaire. Hence the Company has terminated the Contract on 31st December, 2015 as NHA was not able to provide ROW. The company and NHA then entered into a Supplementary Agreement to the Concession Agreement dated 20th June, 2011 on 2nd May, 2016 for adjudication of disputes through Arbitration under the Rules of 'The Society for Affordable Redressal of Disputes' (SAROD). NHA also subsequently issued notice for termination of the Contract vide its letter dated 3rd May, 2016 and seized all the project assets of BKEL on 12th May, 2016.

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

### Emphasis of Matter

- i. 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 NHA. The Company had issued notice for termination of the project to NHA on 31st December, 2015. The company and NHA 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. NHA 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 NHA appointed arbitrators. The Arbitration proceeding are in progress with SAROD.
- ii. The borrowings from secured lenders have been declared as non-performing assets by the lender. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. The cost incurred on the project till the closure of the financials dated 31-03-2023 is Rs. 5,82,40,91,720/-. The amount has been accounted as 'NHA Claim Receivables' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss.

Our opinion is not modified in respect of these matters.

### b) Rajauli-Bakthiyarpur Expressways Limited ('RBEL')

#### Material Uncertainty related to Going Concern



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

#### **Emphasis of Matter**

- i. The cost incurred on the project till the closure of the financials dated 31-03-2023 is Rs. 8,16,82,083/-. The amount has been accounted as 'Claims Receivable from BSRDC against Expenditure incurred on the project' under the head 'Other Financial Assets' which is in contravention to Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as the claims are in the nature of contingent asset. This has resulted in over-statement of other financial assets and understatement of cumulative loss by the same amount in the Statement of Profit & Loss.
- ii. We draw attention to Note 27 to the Standalone financial statements, the company has approached BSRDC by invoking arbitral clause to initiate arbitration proceedings for the expenses incurred for the project. As informed and explained to us, statement of claims was initially filed on 04-03-2020 with BSRDC. The arbitration proceedings are currently in progress.

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

#### **c) Madurai Tuticorin Expressways Limited (MTEL)**

##### **Material Uncertainty related to Going Concern**

We draw attention to Note no. 49 of the standalone financial statements, which states that the project awarded to M/s Madurai-Tuticorin Expressways Limited has been terminated by NHAI on 17-03-2023 though company has commenced Periodic Maintenance works and its obligations. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Based on our audit procedures and evaluation of the entity's financial statements and other relevant information, we have concluded that the entity is not a going concern, the financial statements have been drawn accordingly. Our conclusion is based on several factors, including the entity's financial position, cash flows from operations, and its ability to meet its obligations as they come due.

##### **Emphasis of Matter**

- i. As detailed in Note 48 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced.



- ii. As detailed in Note 2.09 to the Standalone financial statements, company has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. As detailed in Note 52 to the Standalone financial statements, since the contract has been terminated:
  - Fixed Assets and Intangible Assets have been completely written off;
  - Provisions created for Operations and Maintenance have been reversed;
  - Capital grant income has been recognized in full.As a result, there is a significant impact on the financial statements and its ratios.
- iv. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

Our opinion is not modified in respect of the abovementioned matters.

#### **d) Vijayawada-Machilipatnam Expressways Limited**

##### **Material Uncertainties Relating to Going Concern**

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

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

#### **e) TN (DK) Expressways Limited**

##### **Emphasis of Matter**

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHAI for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The arbitration is currently in progress.
- ii. TN (DK) Expressways Limited (TNDK) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. The adequacy of the IND AS adjustments is not corroborated and is subject to other Ind AS adjustments carried out during the year.

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

## **f) Trichy-Thanjavur Expressways Limited**

### **Uncertainties Relating to Going Concern**

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

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

### **Emphasis of Matter**

- i. As detailed in Note 1 to the Standalone financial statements, the company has submitted claim to NHA for the works already completed. The company has initiated arbitration by invoking arbitral clause and the arbitration proceedings commenced. The status of the arbitration is currently in progress.
- ii. Trichy-Thanjavur Expressways Limited (TTEL) has taken loans from banks and financial institutions. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short-term portions of loans. The balances lying in the Bank current accounts are subject to external confirmation.
- iii. Since the contract has been terminated:
  - Fixed Assets and Intangible Assets have been completely written off;
  - Provisions created for operating and maintenance (O&M) expenses have been reversed;
  - Capital grant income has been recognized in full.

As a result, there is a significant impact on the company's financial statements and its ratios.

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

Our opinion is not modified in respect of the abovementioned matters.

## **g) Chhapra-Hajipur Expressways Limited**

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in



the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

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

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

In this scenario, the management must recognise the amount receivable from NHAI at amortised cost or fair value through other comprehensive income as per IND AS 115 "Appendix C - Service Concession Arrangements" Para 25.

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

With reference to notes to accounts stated in the financial statements ....., and the above stated accounting measurement as per IND AS, we differ our opinion, as the company has not complied with respective IND AS for arriving at the amount stated as "Project cost" in Non-current Assets amounting Rs.1,03,683.77 Lakhs for FY 2022-23 and Rs.97,314.15 Lakhs for FY 2021-22.

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

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



### Emphasis of Matter

1. We draw attention to Note 36.12 to the Standalone financial statements, company has taken loans from banks. Those loans became NPAs. Hence, interest has not been recognized for the year on both long term and short term portions of loans except NHAI loan. The balances lying in the Bank current accounts are subject to external confirmation.

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

### h) Ranchi Expressways Limited

#### Qualified Opinion \*

We have audited the accompanying Standalone financial statements of M/s RANCHI EXPRESSWAYS LIMITED ("REL") which comprises the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss, the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, on the state of affairs of the Company as at 31st March 2023, and its Cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- i. No Internal audit was conducted for the financial year as applicable under section 138 of the Companies Act, 2013 and relevant rules made thereunder.
- ii. The Company has not complied with the provisions of Indian Accounting Standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) Claims being Contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 1,34,175.20 Lakhs and understatement of Cumulative loss by the same amount.
- iii. Note 14 to the Financial Statements which describes the Outstanding balances of loans and interests thereon from Banks or financial institutions for which no Confirmations were received from banks.
- iv. The Company has defaulted on payment of Statutory Dues, which was due and pending for more than 5 Years.

#### Emphasis of matters:

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

Ranchi Expressways Limited was incorporated under the Companies Act, 1956, on 29th Day of March 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer (DBFOT) of Four Laning of Ranchi-Rargaon-Jamshedpur Section of NH-33 from Km. 114.000 to Km. 277.500 in the state of Jharkhand on DBFOT (Annuity)



basis for a concession period of 15 years. This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period. Note- 1(b) to the financial statements which describe the suspension of rights of concessionaire pursuant to Article 38 of the Concessionaire Agreement with NHAI.

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

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

The NHAI had given its consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim to NHAI. The proceedings of CCIE commenced on 25-09-2019. CCIE vide their order dated 10-08-2020 informed that Both parties, despite their attempts at reaching an amicable settlement of their disputes through conciliation before this committee, have not been successful. The committee hereby records the failure and closure of the conciliation proceedings on this matter. The company has initiated arbitration clause the arbitration committee formed, and arbitration proceedings commenced. EPC contractor has made claims against the company. On receipt of arbitration award the company will negotiate with the EPC Contractor to settle the claims. Note - 5.2 to the financial statements which describe the reconciliation of outstanding balances of loans including interest thereon between books and confirmations from banks or financial institutions.

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

Cost incurred on the project up to 31st March 2023 Rs.1,34,175.20 Lakhs instead of writing-off, has been accounted as Claims receivable under the head "Other Financial Assets" which is in contravention of the provisions of Indian Accounting Standards Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) Claims being Contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 1,34,175.20 Lakhs and understatement of Cumulative loss by the same amount.

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

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

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

Our Opinion is not modified in respect of these matters.

## 6. Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the possible effects of the matter described in the basis for Qualified opinion, in our opinion proper books of account as required by law have been kept by the Group so far as appears from our examination of those books;
- c) Except for the possible effects of the matter described in the basis for Qualified opinion the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) Except for the possible effects of the matter described in the basis for Qualified opinion, The aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the pending litigations which would impact its financial position in its notes to Consolidated Ind AS financial statements.
- ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. 'The Holding Company' has not complied with the provisions of section 124(5) of the Companies Act, 2013 regarding the remittance of unpaid dividend of an amount aggregating to Rs. 4.46 Lakhs relating to Financial Years 2009-10 to 2010-11 from



unpaid dividend account to Investor Education and Protection Fund (IEPF) within the stipulated period.

iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by The company or "The Group" to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

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

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

**A Krishna Rao  
Partner  
M.No:020085  
UDIN:- 23020085DGQFGA5559**

**Place: Hyderabad  
Date:16-05-2023**

## **Annexure A to the Independent Auditor's Report**

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

In conjunction with our Audit of the Consolidated Ind AS financial statements of the company as of and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls over financial reporting of **Madhucon Projects Limited** (the Holding company) and its subsidiary companies which are incorporated in India, as of the date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Qualified Opinion**

In our opinion, except possible effects of the matter described in the basis for qualified opinion to the consolidated Independent Auditor's Report, reasonable internal financial controls system over financial reporting but not adequate and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

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

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

**A Krishna Rao  
Partner  
M.No:020085  
UDIN:- 23020085DGQFGA5559**

**Place: Hyderabad  
Date: 16-05-2023**

**MADHUCON PROJECTS LIMITED**  
Consolidated Balance Sheet as at March 31, 2023

₹ in Lakhs

	Notes No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(i) Property, Plant and Equipment	2.1	5,201.30	10,267.79
(ii) Capital Work-in-Progress	2.1	5,748.53	15,313.43
<b>Intangible Assets</b>	2.1a		57,463.81
(i) Intangible Assets under Development and Investment Properties		11,419.23	49,002.45
			41.36
<b>(b) Financial Assets</b>			
(i) Investments	2.2	54.28	75,128.03
(ii) Trade Receivables	2.3		52.24
(iii) Loans	2.4	18.31	1,041.45
(iv) Others Financial Assets	2.5	1,13,224.68	1,09,676.25
(v) Deferred Tax Asset (Net)	2.6	4,576.05	2,566.76
(vi) Other Non-Current Assets	2.7	15,816.41	22,270.00
<b>Total Non-Current Assets</b>		<b>1,62,126.11</b>	<b>2,33,679.41</b>
<b>Current Assets</b>			
(i) Inventories	2.8	372.84	353.79
<b>(b) Financial Assets</b>			
(i) Investments	2.9		61.74
(ii) Trade Receivables	2.10	507.18	1,249.89
(iii) Cash and Cash Equivalents	2.11	6,238.12	9,498.55
(iv) Bank Balances other than above	2.12		2,035.33
(v) Loans	2.13	608.71	174.51
(vi) Others Financial Assets	2.14	1,56,743.55	1,83,502.26
(vii) Current Tax Asset (Net)	2.15	2,396.12	4,309.47
(viii) Other Current Assets	2.16	34,977.26	14,905.35
<b>Total Current Assets</b>		<b>3,48,844.83</b>	<b>2,16,664.75</b>
<b>Total Assets</b>		<b>4,10,972.94</b>	<b>5,20,344.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(i) Equity Share Capital	2.17	748.71	748.71
(ii) Other Equity	2.18	(1,52,999.36)	(2,19,521.85)
Less: Profit / Loss from Associates		-	982.39
Equity Shareholder's Shareholders of the Company			
(i) Non-Controlling Interests		(1.91,510.64)	(2,08,881.97)
		(43,369.41)	(12,211.26)
<b>Total Equity</b>		<b>(82,35,219.45)</b>	<b>(2,37,913.62)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>(i) Financial Liabilities</b>			
(i) Borrowings	2.19	1,04,367.26	2,01,758.08
(ii) Trade Payables	2.20	7,214.44	7,274.61
(A) Non-outstanding dues of micro enterprises, small enterprises, and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.)			
(iii) Other Financial Liabilities	2.21	2,146.29	1,707.94
(iv) Provisions	2.22	17,359.98	38,639.82
(v) Deferred Tax Liabilities (Net)			-
(vi) Other Non-Current Liabilities	2.23	904.61	1,211.25
<b>Total Non-Current Liabilities</b>		<b>1,29,982.28</b>	<b>2,49,589.72</b>
<b>Current Liabilities</b>			
<b>(i) Financial Liabilities</b>			
(i) Borrowings	2.24	1,53,730.65	1,02,650.65
(ii) Trade Payables	2.25	45,737.13	39,720.01
(A) total outstanding dues of micro enterprises, small enterprises, and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.)			
(iii) Other Financial Liabilities	2.26	1,36,571.89	72,979.06
(iv) Other Current Liabilities	2.27	60,916.66	79,772.30
(v) Provisions	2.28	43,854.28	1,41,738.67
(vi) Current Tax Liabilities (Net)	2.29	827.97	1,311.80
<b>Total Current Liabilities</b>		<b>3,52,346.61</b>	<b>4,38,156.10</b>
<b>Total Equity and Liabilities</b>		<b>4,10,972.94</b>	<b>5,20,344.16</b>

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

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

**For and on behalf of the Board**

**A.Krishna Rao**  
Partner  
Membership Number 020085  
UDIN - 230700850GQFGA5559

**R. Seethaiah**  
Managing Director  
DIN 00784491

**Muhammad Shafi**  
Whole-time Director  
DIN-07178265

Place: Hyderabad  
Date : May 16, 2023

**K. Venkateswarlu**  
Director cum CFO  
DIN 09713108

**D. Mulla Reddy**  
Company Secretary  
SCB: 9589



**MADHUCON PROJECTS LIMITED**  
**Consolidated Statement of Profit and Loss for the Year ended March 31, 2023**

IN IN Lakhs

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Revenue</b>			
(i) Revenue from Operations	2.20	1,15,230.40	94,514.79
(ii) Other Income	2.21	90,153.23	11,245.95
<b>Total Revenue</b>		2,05,383.63	1,05,760.74
<b>(b) Expenses</b>			
(i) Cost of Materials and Work Expenses	2.22	1,81,075.48	73,571.07
(ii) Changes in inventory and work-in-progress	2.23	-	934.28
(iii) Employee Benefits Expense	2.24	2,096.83	2,920.23
(iv) Finance Costs	2.25	4,712.10	5,131.00
(v) Depreciation and amortisation expense	2.1	79,841.43	14,094.98
(vi) Other Expenses	2.26	35,479.88	25,730.70
<b>Total Expenses</b>		2,36,098.25	1,18,390.23
Profit before Exceptional and Extraordinary Items and Tax		(19,714.28)	(11,829.43)
Exceptional Items		-	-
Share of (Loss) from Associate Company		-	882.38
<b>Profit Before Tax</b>		(19,714.28)	(10,947.04)
<b>Tax Expense</b>			
Current Tax		-	-
Adjustment of Tax relating to earlier periods		8.91	-
Deferred Tax		(2,007.69)	1,870.14
		(1,998.78)	1,870.14
<b>(Loss) / Profit for the Year</b>		(17,715.50)	(12,717.18)
<b>Attributable to</b>			
Shareholders of the Company		(18,369.91)	(13,034.51)
Non Controlling Interests		(345.59)	(682.67)
<b>Other Comprehensive Income</b>			
Re-classification of Employee Defined Benefit Obligations		43.16	(0.45)
Exchange differences on translation		-	-
Amount Not Reclaimable in P&L		-	(1.96)
<b>Other Comprehensive Income for the Year</b>		43.16	(2.41)
<b>Total Comprehensive (Loss) / Income for the year</b>		(14,326.81)	(13,617.02)
<b>Attributable to</b>			
Shareholders of the Company		(14,326.81)	(13,617.02)
Non-Controlling Interests		(345.59)	(682.67)
<b>Total Comprehensive Income</b>		(14,326.81)	(13,617.02)
Earnings per share of Face Value of ₹ 10/- each			
<b>Diluted</b>		(119.47)	(114.41)

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

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

**For and on behalf of the Board**

**A.Krishna Rao**  
 Partner  
 Membership Number 020985  
 UDIN:- 230200850GQFGA5559

**K. Seethaiah**  
 Managing Director  
 DIN 00784491

**Mohammed Shaif**  
 Whole-time Director  
 DIN-07178265

Place : Hyderabad  
 Date : May 16, 2023

**K. Venkateswarlu**  
 Director cum CFO  
 IAN 09713108

**D. Mallu Reddy**  
 Company Secretary  
 ACS- 9509



**MADHUCON PROJECTS LIMITED**  
**Statement of Changes in Equity for the Year ended March 31, 2023**  
**(Equity Shares Capital)**  
**(Equity Shares of Rs.1/- each 7,27,96,940 shares)**

Madhucon Projects Limited	Company Name	7,27,96,940
Madhucon Projects Limited	Registered Office	Plot No. 1, Sector 10, Gurgaon, Haryana
Madhucon Projects Limited	Chartered Accountants	Madhucon Projects Limited

Particulars	Equity Shares		Reserves and Surplus		Total	
	Number of Shares	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
At the beginning of the year	7,27,96,940	7,27,96,940	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Issue of Equity Shares during the year	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
At the end of the year	8,27,96,940	8,27,96,940	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000

Particulars	Equity Shares		Reserves and Surplus		Total	
	Number of Shares	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
At the beginning of the year	8,27,96,940	8,27,96,940	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Issue of Equity Shares during the year	1,00,00,000	1,00,00,000	-	-	1,00,00,000	1,00,00,000
At the end of the year	9,27,96,940	9,27,96,940	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000

For and on behalf of the Board

**A. Bhatnagar**  
 Managing Director  
 DIN: 00194451

**B. Mohan Reddy**  
 Company Secretary  
 AIC No. 2007

For P. Madhu A. Ch.  
 Chartered Accountants  
 PWS / 107/2770

**A. Krishna Rao**  
 Director  
 Member of the Board  
 DIN: 00194451

For P. Madhu A. Ch.  
 Chartered Accountants  
 PWS / 107/2770



### Madhucon Projects Limited

Consolidated Cash Flow Statements for the year ended March 31st, 2023

(T in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A Cash flow from operating activities</b>		
(Loss) / Profit before tax	(19,714.27)	(10,847.04)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	29,893.45	14,094.48
Dividend Income	0.00	(0.77)
Interest Income	(139.07)	(129.48)
Receivables / Advances Written Off	-	-
Exceptional Items	-	-
Foreign Exchange (Gain) / Loss	-	-
Finance costs	4,712.18	3,167.00
	<b>84,467.96</b>	<b>17,101.76</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>64,753.70</b>	<b>6,254.71</b>
<b>Change in Working Capital</b>		
Increase/decrease in Trade Receivables	1,175.95	(235.88)
Increase/decrease in Inventories	180.76	525.64
Increase/decrease in Other Financial Assets	(16,789.71)	(32,782.78)
Increase/decrease in Other Current and Non-Current Assets	(16,669.26)	4,779.62
Increase/decrease in short term borrowings net	22,880.01	(1,207.67)
Increase/decrease in Trade Payables	(14,983.69)	18,282.71
Increase/decrease in Other Financial Liabilities	34,040.56	2,661.62
Increase/(decrease) in Other Current and Non-Current Liabilities	(1,19,601.30)	42,760.29
<b>Cash generated from operations</b>	<b>(24,140.84)</b>	<b>13,642.07</b>
Income taxes paid	-	(6,530.28)
<b>Net cash from operating activities</b>	<b>(24,140.84)</b>	<b>23,172.34</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment including CWIP	14,568.96	(555.33)
Change in other equity	3,808.67	(13,912.09)
Change in Investments	25,348.33	-
Increase / decrease in other bank balances	2,635.35	(7,456.29)
Dividend Received	0.00	0.76
Interest Received	139.07	129.44
<b>Net cash used in investing activities</b>	<b>94,899.28</b>	<b>(18,793.49)</b>
<b>C Cash flows from financing activities</b>		
Proceeds/(Repayment) of long term borrowings	67,887.73	(1,190.10)
Increase/(decrease) in Loans	590.94	(13.26)
Dividend paid	-	-
Interest paid	(4,712.18)	(3,167.00)
<b>Net cash used in financing activities</b>	<b>(72,018.97)</b>	<b>(4,340.56)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,260.43)</b>	<b>3,038.29</b>
Cash and cash equivalents at the beginning of the financial year	9,498.55	6,460.25
<b>Cash and cash equivalents at end of the year</b>	<b>8,238.12</b>	<b>9,498.54</b>
<b>Reconciliation of cash and cash equivalents as per with the Balance Sheet</b>		
	8,238.12	9,498.55
<b>Cash and Cash Equivalents end of the Year</b>	<b>8,238.12</b>	<b>9,498.55</b>

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

For F.Murali & Co.  
Chartered Accountants  
RGN 0072578

A.Krishna Rao  
Partner  
Mem Membership Number 020085  
CMA - 0200092488

Place : Hyderabad  
Date : May 16, 2023

For and on behalf of the Board

N. Seethalakshmi  
Managing Director  
DIN 09791991

Mohammad Shafi  
Whole-time Director  
DIN 07179265

K. Venkateswarlu  
Director cum CFO  
DIN 09713108

D. Malla Reddy  
Company Secretary  
ACS - 9579





## **Madhucon Projects Limited**

### **Notes forming part of Consolidated Financial Statements**

#### **Company Overview:**

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

#### **Basis of preparation:**

##### **A) Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 16, 2023.

Details of the Group's accounting policies are included in Note 1. The accounting policies set out below have been applied consistently to the years presented in the consolidated financial statements.

##### **B) Basis of Measurement**

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

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

##### **C) Functional and presentation currency**

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

#### **1. Summary of significant accounting policies**

##### **Basis of consolidation**

The consolidated financial statements of the group comprise the financial statements of the Madhucon Projects Limited ("Parent Company") and its subsidiaries and associates ("the group") as at 31st March 2019.

**Subsidiaries:**

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

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

**Consolidation procedure:**

The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

The consolidated financial statements of the Group combines the financial statements of Parent Company and its subsidiaries on line by line basis by adding together the like items of assets, liabilities, equity, income and expenses.

Unrealised profits/losses on intra group transactions, Intra group assets, liabilities, income and expenses are eliminated in consolidation. Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated in consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non controlling interests even if this results in the non controlling interests having a deficit balance.

Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned directly or indirectly by Parent Company.

**1.1 Current versus non-current classification**

The Group has identified twelve months as its operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liability is current when:

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 1.2 Foreign exchange translation and foreign currency transactions:

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

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

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

## 1.3 Fair value measurement

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy.



described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or-re assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an annual basis, the Management presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a detailed discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **1.4 Use of Accounting Estimates & Assumptions:**

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

#### **1.5 Revenue recognition**

The Group has adopted Ind AS 115, Revenue from Contracts with Customers. The Group has applied the following accounting policy for revenue recognition:

##### **Revenue from contracts with customers:**

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.



Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

### **Contract revenue (construction contracts)**

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, and incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.



Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and including taxes or duties collected as principal contractor.

Revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of revenue has been reflected as unearned revenue.

#### **Operation and maintenance contracts**

Revenue from maintenance contracts are recognized over the period of the contract as and when services are rendered.

#### **Income from toll contracts**

Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection. Revenue from sale of smart cards is accounted on cash basis.

#### **Other Income:**

#### **Dividend Income:**

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

#### **Interest Income:**

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

#### **Contract balances**

#### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional.

#### **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).



## Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## 1.6 Taxes on Income

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

### Current Tax

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

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Minimum Alternate Tax (MAT):**

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

**1.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**1.8 Contingent Liabilities and Contingent assets**

A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. A contingent liabilities arises where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**1.9 Provisions**

The Group recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation.

**1.10 Investments in subsidiaries and joint ventures**

The Group accounts for the investments in equity shares of subsidiaries and joint ventures at cost in accordance with Ind AS 27 Separate Financial Statements. The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the consolidated Statement of Profit and Loss.

**1.11 Employee Benefits:**

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

**1.12 Financial Instruments:**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial





assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial Assets**

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

### **Subsequent Measurement**

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

#### **Financial Assets at Amortised Cost**

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

#### **Financial Assets Measured at Fair Value**

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

### **Impairment of Financial Assets**

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

### **De-recognition of Financial Assets**

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



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

### **Equity Instruments and Financial Liabilities**

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

### **Equity Instruments**

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

### **Financial Liabilities**

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

### **Subsequent Measurement**

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

### **De-recognition of Financial Liabilities**

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

### **Offsetting Financial Instruments**

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

### **1.13 Cash and cash equivalents**

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



#### 1.14 Lease

The Group has no leases or any contract containing lease and accordingly, no disclosure has been made on the same.

#### 1.15 Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets and non current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 1.16 Cash flow statement:

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

Changes during the year in inventories and operating receivables and payables and transactions of a non-cash nature;

Non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and

All other items for which the cash effects are investing or financing cash flows.

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

#### 1.17 Property, Plant and Equipment

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

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



### 1.18 Intangible Assets

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

### Rights under Service Concession Arrangements

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

### 1.19 Depreciation/ Amortisation

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

### 1.20 Investment property

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

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

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

### 1.21 Inventories:

#### Raw Materials:

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

#### Work in Progress:

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

### 1.22 Interest in Joint Operations

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



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

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue, including its share any revenue arising jointly,
4. its expenses, including its share of any expenses incurred jointly.

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

### 1.23 Insurance claims

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

### 1.24 Claims

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

### 1.25 Commitments

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

Estimated amount of contracts remaining to be executed on capital account and not provided for

Uncalled liability on shares and other investments partly paid

Funding related commitment to subsidiary, associate and joint venture companies and

Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

### 1.26 Earnings per Share:

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

### 1.27 Segment Reporting:

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



allocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

#### **1.28 Toll Projects (Right to charge users):**

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

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

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

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

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

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

#### **1.29 Impairment of Assets:**

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

determined had no impairment loss is recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### 1.30 Schedule III amendment disclosures:

Ministry of Corporate Affairs ("MCA") issued notification dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021 and applied to the consolidated financial statements:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Additional disclosure for shareholding of promoters.
- Additional disclosure for ageing schedule of trade receivables, trade payables and capital work-in-progress.
- Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- Additional disclosure for relating to Corporate Social Responsibility (CSR) and undisclosed income.

**Madhucon Projects Limited**  
 Being a trading entity of the Company and Capital Work in Progress  
 2.2. Property, Plant, Equipment and Capital Work in Progress

Particulars		Land	Buildings	Plant & Machinery	Fixtures & Fittings	Intangible Assets	Leasehold Intangible Assets	Office Equipment	Completion	Total	Capital Work in Progress	Impairment	Carrying Amount	Total
<b>Cost</b>														
As at 1 April 2021		8,686.17	64.02	26,140.28	1,425.74	3,149.50	1,441.14	100.00	500.00	34,372.85	3,677.41	13.26	38,050.52	2,20,713.04
Depreciation		114.18	0.00	1,62.54	172.46	47.96	16.97	61.51	75.00	1,135.52	-	1.46	1,306.45	844.95
Impairment / adjustments		2,078.81	0.00	8,043.20	1,003.30	1,176.40	1,437.00	1,177.00	247.86	15,105.77	1,033.41	13.26	1,68,409.88	3,14,354.88
As at 31.03.2022		6,503.48	64.02	17,434.54	1,250.00	2,925.60	1,297.17	388.99	245.20	18,121.76	4,707.82	16.80	22,849.58	1,96,213.19
As at 01.04.2022		6,503.48	64.02	17,434.54	1,250.00	2,925.60	1,297.17	388.99	245.20	18,121.76	4,707.82	16.80	22,849.58	1,96,213.19
As at 31.03.2022		6,503.48	64.02	17,434.54	1,250.00	2,925.60	1,297.17	388.99	245.20	18,121.76	4,707.82	16.80	22,849.58	1,96,213.19
As at 01.04.2022		6,503.48	64.02	17,434.54	1,250.00	2,925.60	1,297.17	388.99	245.20	18,121.76	4,707.82	16.80	22,849.58	1,96,213.19
<b>Impairment</b>														
As at 1 April 2021		-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022		-	-	-	-	-	-	-	-	-	-	-	-	-
As at 01.04.2022		-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2022		-	-	-	-	-	-	-	-	-	-	-	-	-
As at 01.04.2022		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Book Value</b>														
As at 1 April 2021		8,571.99	64.02	24,519.76	1,253.28	3,001.54	1,224.17	338.49	225.00	33,237.30	3,677.41	13.26	36,743.99	2,19,508.09
As at 31.03.2022		6,389.30	64.02	15,811.34	1,077.50	2,753.60	1,280.20	348.90	220.20	16,994.26	4,707.82	16.80	21,711.06	1,94,568.00
As at 01.04.2022		6,389.30	64.02	15,811.34	1,077.50	2,753.60	1,280.20	348.90	220.20	16,994.26	4,707.82	16.80	21,711.06	1,94,568.00



## Madhucan Projects Limited

Notes forming part of the consolidated financial statements

## 2.2 Investments

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>1) Investment in Equity Instruments</b>		
<b>(i) Subsidiaries:</b>		
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Sudhupan Energy Limited	-	74,399.06
Madhucan National Securities Limited (Singapore)	0.21	0.21
Shares of ₹ 10 each		
<b>(ii) Others:</b>		
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Madhucan Agri (Agri) Enterprises Limited	3.12	3.12
Madhucan Properties Limited	1.00	984.39
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Rajapuram Gas Pliers Private Limited	48.81	48.81
Central Bank Limited	1.44	1.44
<b>(iv) Provision for impairment on investment</b>		
<b>Total</b>	<b>54.58</b>	<b>75,338.01</b>

## 2.3 Trade Receivables

	(₹ in Lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
<b>Un Secured, Considered good</b>				
- From Related Parties	-	-	31.24	1,569.89
- From Others	-	507.18	-	-
<b>Total</b>	-	<b>507.18</b>	<b>31.24</b>	<b>1,569.89</b>

Particulars	Less than 6 months	Outstanding for following periods from due date of payment F.Y 2022-23				Total
		6 months - 1 year	1-2 years	3-3 years	More than 3 years	
(i) Unsecured Trade receivables - considered good	-	-	-	-	-	-
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Unsecured Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Secured Trade Receivables - considered good	-	-	-	-	-	-
(v) Secured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-

Particulars	Less than 6 months	Outstanding for following periods from due date of payment F.Y 2021-22				Total
		6 months - 1 year	1-2 years	3-3 years	More than 3 years	
(i) Unsecured Trade receivables - considered good	52.24	-	-	-	-	52.24
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Unsecured Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Secured Trade Receivables - considered good	-	-	-	-	-	-
(v) Secured Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>52.24</b>	-	-	-	-	<b>52.24</b>

## 2.4 Loans

	(₹ in Lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
<b>Unsecured, considered good</b>				
<b>Loans to Related Parties</b>				
Security Deposits	15.31	312.26	178.91	178.91
Others	-	-	362.54	-
<b>Total</b>	<b>15.31</b>	<b>312.26</b>	<b>1,041.48</b>	<b>178.91</b>

## 2.5 Other Financial Assets

	(₹ in Lakhs)			
	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
<b>Unsecured, considered good</b>				
Bank Deposits with maturity more than 12 months	663.94	-	578.01	-
Current Money Deposits	191.87	-	241.91	-
Retention Money Deposit	3,490.50	-	1,444.65	-
Receivable under various concession arrangements	7,091,111.16	-	97,855.18	-
Advances Receivable	3,871.44	-	7,413.96	-
Receivable From Others	-	867.32	2,155.67	3,460.32
Receivable From NIAI	-	-	-	4,309.65
Claims Receivable from NIAI	-	1,302,526.52	-	1,74,503.48
Retention Money Deposit	-	1,421.14	-	189.70
Other receivables from related parties	-	1,922.92	-	794.11
<b>Total</b>	<b>11,322.81</b>	<b>1,96,743.95</b>	<b>1,09,678.25</b>	<b>1,83,302.26</b>

## 2.6 Deferred Tax Asset / (Liability) net

	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Asset</b>		
Opening Balance	2,565.36	4,431.51
During the year	2,607.69	1,670.14
<b>Total</b>	<b>4,570.05</b>	<b>2,569.36</b>

## 2.7 Other Non-Current Assets

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Capital Advances	-	-	38.53	-
Advances to suppliers and subcontractors	10,665.65	2,145.46	14,068.89	426.03
Others	5,142.75	-	5,169.22	-
Prepaid Expenses	-	7.56	-	10.34
Prepaid Insurance	-	9.24	-	0.04
Advances to related parties	-	29,299.74	-	2,284.73
Security Depos Receivable	-	3,100.24	-	911.63
Advances other than Capital Advances	-	11,425.04	-	11,624.87
<b>Total</b>	<b>15,808.41</b>	<b>34,977.20</b>	<b>32,276.66</b>	<b>14,965.36</b>

## 2.8 Inventories

	As at March 31, 2023	As at March 31, 2022
Raw Materials	372.83	551.59
Work-in-Progress	-	-
<b>Total</b>	<b>372.83</b>	<b>551.59</b>

## 2.9 Investments

	As at March 31, 2023	As at March 31, 2022
In Immovable Properties	-	40.20
In Mutual Funds	-	24.58
<b>Total</b>	<b>-</b>	<b>64.78</b>

## 2.10 Trade Receivables

	As at March 31, 2023	As at March 31, 2022
<b>Un Secured, Considered good</b>		
From Related Parties	-	-
From Others	507.18	1,569.89
<b>Total</b>	<b>507.18</b>	<b>1,569.89</b>

Particulars	Outstanding for following periods from due date of payment F.Y 2022-23						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Unsecured Trade receivables – considered good	507.18	-	-	0.01	1.47	507.18	
(ii) Unsecured Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Unsecured Trade Receivables – credit impaired	-	-	-	-	-	-	
(iv) Unsecured Trade Receivables – considered good	-	-	-	-	-	-	
(v) Unsecured Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
	507.18	-	-	0.01	1.47	507.18	

Particulars	Outstanding for following periods from due date of payment F.Y 2021-22						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Unsecured Trade receivables – considered good	1,269.89	-	-	-	-	1,269.89	
(ii) Unsecured Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Unsecured Trade Receivables – credit impaired	-	-	-	-	-	-	
(iv) Unsecured Trade Receivables – considered good	-	-	-	-	-	-	
(v) Unsecured Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
	1,269.89	-	-	-	-	1,269.89	

## 2.11 Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	15.98	659.41
<b>Balances with Banks</b>		
In Current Accounts	7,500.00	8,170.45
In Deposit Accounts with Maturity less than 3 months	611.89	638.80
Unpaid Dividend Accounts	5.00	30.89
<b>Total</b>	<b>8,238.12</b>	<b>9,498.55</b>

## 2.12 Bank Balance other than above

	As at March 31, 2023	As at March 31, 2022
Margin money and other deposits with banks	-	2,025.35
<b>Total</b>	<b>-</b>	<b>2,025.35</b>

**2.13 Loans**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Security Deposit	112.06	174.51
Other loans & advances	297.47	-
<b>Total</b>	<b>609.73</b>	<b>174.51</b>

**2.14 Other Financial Assets**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Receivable From Others	867.37	3,090.32
Receivable From SOEs	-	4,309.65
Other receivables from related parties	1,922.42	794.11
Claims Receivable from NHAI	1,99,128.07	1,74,508.48
Reserve Money Deposit	7,425.14	199.70
<b>Total</b>	<b>1,96,743.55</b>	<b>1,83,502.26</b>

**2.15 Current Tax Asset(Net)**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
TDS Receivables	7,169.76	4,074.11
VAT-TDS NHAI Receivables	226.36	226.36
<b>Total</b>	<b>7,396.12</b>	<b>4,300.47</b>

**2.16 Other Current Assets**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	7.58	10.54
Prepaid Insurance	6.34	4.34
Advance to suppliers, sub-contractors and others	3,148.46	426.05
Statutory Dues Receivable	1,202.24	611.63
Advances to related parties	30,288.74	2,284.73
Advances other than Capital Advances	1,323.04	1,623.57
<b>Total</b>	<b>24,977.30</b>	<b>14,965.36</b>

**Madhuccon Infra Limited**

Notes forming part of the consolidated financial statements

**2.17 Equity Share Capital**

	Number of Shares	(₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>			
Equity Shares of ₹ 10/- each	4,50,00,00,000	4,50,00,00,000	4,50,00,00,000
<b>Total</b>		<b>4,50,00,00,000</b>	<b>4,50,00,00,000</b>
<b>Issued, Subscribed and Called up Capital</b>			
Equity Shares of ₹ 10/- each	-	-	-
<b>Fully paid up Capital</b>			
Equity Shares of ₹ 10/- each	Equity Shares of ₹ 1/- each	737.95	Equity Shares of ₹. 1/- each
Add - Preferred Shares Amount originally paid up	2.87	2.87	2.87
<b>Total</b>		<b>740.82</b>	<b>740.82</b>

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

	As at March 31, 2023		As at	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,28,77,77,045	1,28,777.70	1,28,77,77,045	1,28,777.70
Add - Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	<b>1,28,77,77,045</b>	<b>1,28,777.70</b>	<b>1,28,77,77,045</b>	<b>1,28,777.70</b>

**b) Terms/ Rights attached to Shares**

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

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

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

(1) Aggregate number and class of shares allotted as fully paid up pursuant to contracts, without payment being received in Cash: - Nil

(2) Aggregate number and class of shares allotted as fully paid up by way of Bonus shares: - Nil

(3) Aggregate number and class of Shares bought back: - Nil

Notes forming part of the financial statements



## 3.16 Other Equity

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
(a) Securities Premium	29,313.07	29,313.07
(b) Capital Reserve		
Less: Capital Gains Deferred		
(c) General Reserve		
Opening Balance	5,061.53	5,061.53
Add: Additions during the year	-	-
Closing Balance	5,061.53	5,061.53
(d) Surplus in Statement of Profit and Loss		
Opening Balance	11,97,979.19	12,28,207.70
Add: Profit for the Year	(14,456.62)	(11,673.29)
Add: Capital Gains Deferred	16,550.62	8,005.12
Correction in Profit and Loss	(7,460.75)	(9,480.62)
Less: Appropriations		
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Transfers to Reserves	-	-
Closing Balance	(2,26,679.16)	(2,43,375.73)
Other Components of Equity		
Re-measurements of the defined benefit plans and others	(201.25)	67.36
Exchange differences in translating the financial	28.29	(111.50)
Increase/Decrease in recognizing asset pursuant to application of Effective Interest rate method	(140.02)	110.02
	(312.95)	(384.04)
(e) Reserves on Consolidation	3,007.15	2,671.59
Equity Component of Unsecured Loan	-	(1,510.00)
<b>Total</b>	<b>(1,92,698.36)</b>	<b>(2,10,524.05)</b>

## 3.19 Borrowings

	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>Secured:</b>		
<b>Debentures</b>		
<b>Term Loans</b>		
From Banks	26,350.22	2,16,455.60
From Others	1,19,001.23	29,198.82
<b>Funded Interest Term Loan</b>		
From Banks	-	-
From Financial Institutions	-	-
	-	48.27
<b>Unsecured:</b>		
Loans from related parties	29,727.97	756.31
From Financial Institutions	285.93	285.90
<b>Total</b>	<b>1,66,367.26</b>	<b>2,34,265.00</b>

**Madhucan Infra Limited**

Notes forming part of the consolidated financial statements

**(i) Madhucan Infra Limited**

Total amount payable as at 31.03.2023 to IFCI was Rs. 17544.41 lakhs as per books of account. The company has submitted our final settlement proposal with IFCI and it was agreed to accept Rs.7000Lakhs towards full and final settlement. The company has paid Rs.1580 Lakhs and it was adjusted towards principal amount. The company has requested for review the O/S account. The company has a discussion with the IFCI re review its O/S account of term and confirms and this proposal is under process.

Rs.16 Interest has been accrued on the amount payable to IFCI for the current FY 2022-23, pending O/S.

**(ii) Chhapra - Hajipur Expressways Limited**

Term loans from banks - The loan is repayable in 17 sequential unequal instalments starting from June,2022.

BIPL Loan - The loan is repayable at the time of receipt of toll and after after 9:00.

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

**Terms of Security of secured term.**

Secured from a combination of CS bankers & from NHAI as per contract loan agreement dated 03-12-2010 for an amount of Rs.585 crores, and further enhanced loan facility agreement dated on 30-03-2016 for an amount of Rs.176.85 crores, further enhanced loan facility agreement dated on 09-01-2018 for an amount of Rs.171.96 crores and from NHAI as per tripartite agreement dated on 21-10-2016. During the year the company has not provided the interest on to the term loans due to term loans became NPA. And interest has been provided for loan from NHAI.

**Terms of Security**

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

**Terms of Repayment of unsecured loan:**

The above unsecured loans are given by the Promoters of the Company as per the Commission Agreement with NHAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged to full to the satisfaction of the Lenders.



#### **(iii) Ranchi Expressways Limited**

##### **Terms of Security of Secured Term Loans**

Indian Express Term Loans consists of Loans borrowed from a consortium of 12 banks & one financial institution as per common loan agreement dated 20-10-2011. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructuring agreement dated 24-05-2017. The company has started to OTS with use of the operational lock and payments are being made as per repayment schedule.

##### **Terms of Security**

The Company has executed loan documents and created security as per common loan agreement dated 20-10-2011 and amendment to common loan agreement dated 24-05-2017.

##### **Terms of Repayment**

On Secured Loan from Related Parties: The interest loan are provided by the promoters of the company as per common loan agreement with Senior lenders by way of subordinated loan such subordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged, in full to the satisfaction of the lenders.

#### **(iv) TR (DR) Expressways Limited**

##### **Terms of Repayment of Secured Loans**

Indian Express Term Loans consists of Loans borrowed from a consortium of 4 banks as per common loan agreement dated 11-10-2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructuring agreement dated 20-05-2013. During the company has not provided interest.

The Lenders adjusted an amount of Rs. 200.77 Crores from Express Account directly towards interest and principal as at March 2023 against the term loan of Rs. 224.00 Cro given by the lenders.

##### **Terms of Security**

The company has executed loan documents and created security as per common loan agreement dated 11-10-2006 and master restructuring agreement dated 20-05-2013.

##### **Terms of Repayment of Unsecured Loans:**

The unsecured loans are provided by the promoters of the company as per common loan agreement with senior lenders by way of subordinated loan. Such subordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged, in full to the satisfaction of the lenders.

#### **(v) Madurai-Tuticorin Expressways Limited**

##### **Terms of Repayment - Secured Loans**

Indian Express Term Loans consists of Loans borrowed from a consortium of 3 banks & one financial institution as per common loan agreement dated 12-01-2007. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructuring agreement dated 25-01-2013.

The Lenders adjusted an amount of Rs. 201.03 Crores from Express Account directly towards interest and principal as at March 2023 against the term loan of Rs. 208.00 Cro given by the lenders.

##### **Terms of Security**

The company has executed loan documents and created security as per common loan agreement dated 12-01-2007 and master restructuring agreement dated 25-01-2013.

##### **Terms of Repayment - Unsecured Loan - from related parties**

The unsecured loans are provided by the promoters of the company as per the common loan agreement with Senior lenders by way of Subordinated loan. Such subordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged, in full to the satisfaction of the lenders.

##### **Terms of Repayment - Unsecured Loan - from others:**

The company has created loan from M/s Innovations Payment Systems Limited and the amount was utilized for closing the term loan amount availed from SBI.

#### **(vi) Trichy-Thanjavar Expressways Limited**

##### **Terms of Repayment - Secured Loans**

Indian Express Term Loans consists of Loans borrowed from a consortium of 5 banks & one financial institution as per common loan agreement dated 02-12-2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructuring agreement dated 28-01-2013. The company has not provided interest.

The Lenders adjusted an amount of Rs. 185.63 Crores from Express Account directly towards interest and principal as at March 2023 against the term loan of Rs. 261.00 Cro given by the lenders.

##### **Terms of Security**

The company has executed loan documents and created security as per common loan agreement dated 02-12-2006 and master restructuring agreement dated 28-01-2013.

##### **Terms of Repayment- Unsecured Loan - from related parties**

The unsecured loans are provided by the promoters of the company as per the common loan agreement with senior lenders by way of subordinated loan. Such subordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged, in full to the satisfaction of the lenders.

The company has availed loan from M/s Innovations Payment Systems Limited and the amount was utilized for closing the term loan amount availed from SBI.

#### **(vii) Baramat-Krishnagar Expressways Limited**

##### **Terms of Repayment - Secured Loan**

Indian Express Term Loans consists of Loans borrowed from a consortium of 7 banks & one financial institution as per common loan agreement dated 26-09-2011. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructuring agreement dated 24-05-2017. During the year the company has not closed the term loan amount, the company has not provided the interest during the financial year.

Interest is not provided during the financial year due to the term loan being NPA.

##### **Terms of Security**

The Company has executed loan documents and created security as per common loan agreement dated 26-09-2011 and master restructuring agreement availed on dated 24-05-2017.

##### **Terms of Repayment - On Secured Loan from Related Parties**

The unsecured loans are provided by the promoters of the company as per common loan agreement with Senior Lenders by way of Subordinated loan such subordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged, in full to the satisfaction of the lenders.

#### **2.29 Trade Payables**

(Rs. Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
For supply and Services	680.71	15,244.53	903.44	46,347.53
Retention Money Deposits	2,761.93	3,035.22	3,360.28	5,765.98
Others	1,151.80	-	3,275.80	-
Due to Other Parties	-	9,657.75	-	6,431.30
Related Parties	-	-	-	464.05
<b>Total</b>	<b>7,214.44</b>	<b>45,727.13</b>	<b>9,274.61</b>	<b>99,720.66</b>

Particulars	Outstanding for following periods from due date of payment F.Y. 2023-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
to MSME					
(i) Other	494.87	701.34	1,777.85	4,208.83	7,214.44
(ii) Deposited dues MSME					
(iii) Deposited dues - Others					
<b>Total</b>	<b>494.87</b>	<b>701.34</b>	<b>1,777.85</b>	<b>4,208.83</b>	<b>7,214.44</b>

Particulars	Outstanding for following periods from due date of payment F.Y. 2023-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
to MSME					
(i) Other	77.12	3,807.09	581.15	3,807.34	7,274.61
(ii) Deposited dues MSME					
(iii) Deposited dues - Others					
<b>Total</b>	<b>77.12</b>	<b>3,807.09</b>	<b>581.15</b>	<b>3,807.34</b>	<b>7,274.61</b>

**2.21 Other Financial Liabilities**

(₹ in Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long Term Borrowings	-	79,163.91	-	50,883.09
Dividend accrued and due on Borrowings	-	27,410.92	-	5,071.48
Interest accrued but not due	-	-	-	1,863.45
Other Payables	2,148.69	1,781.95	1,707.94	12,915.93
Unpaid Dividends	-	4.32	-	20.61
Trade Payables	-	18,257.47	-	1,511.81
Payables to Related Parties	-	47.84	-	-
<b>Total</b>	<b>2,148.69</b>	<b>1,26,672.48</b>	<b>1,707.94</b>	<b>72,472.06</b>

**2.22 Provisions**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	184.76	11,420.68
Compensated Absences	44.02	52.64
Provision for Major Maintenance and Repairs	17,084.78	22,110.58
<b>Total</b>	<b>17,259.48</b>	<b>33,639.82</b>

**2.23 Other Non-Current Liabilities**

(₹ in Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	945.24	3,116.41	1,200.00	2,789.31
Material Advances	8.72	-	8.72	-
Machinery Advance	-	306.66	-	316.26
Statutory Dues Payable	-	2,819.22	-	3,299.18
Other Liabilities	-	46,837.88	-	49,093.41
Revenue Received in Advances	-	945.30	-	370.81
Other advances from related parties	-	26,390.83	-	23,410.13
<b>Total</b>	<b>954.01</b>	<b>80,216.90</b>	<b>1,311.35</b>	<b>79,772.30</b>

**2.24 Borrowings**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Secured:</b>		
<b>Loans repayable on demand</b>		
From Banks	1,17,079.76	1,32,075.89
From Others	38,451.09	874.74
<b>Total</b>	<b>1,55,530.85</b>	<b>1,32,950.63</b>

**2.25 Trade Payables**

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
For Supplies and Services	55,794.13	43,247.33
Due to Other Parties	6,637.78	8,039.20
Related Parties	-	654.05
Retention Money Deposits	3,335.22	3,789.58
<b>Total</b>	<b>45,737.13</b>	<b>59,729.66</b>

Particulars	Outstanding for following periods from due date of payment F.Y. 2023-23				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
to MSME					
(i) Other	13,883.57	10,986.02	4,102.46	16,798.58	45,737.13
(ii) Deposited dues MSME					
(iii) Deposited dues - Others					
<b>Total</b>	<b>13,883.57</b>	<b>10,986.02</b>	<b>4,102.46</b>	<b>16,798.58</b>	<b>45,737.13</b>

Particulars	Outstanding for following periods from due date of payment F.Y. 2021-22				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
WMSM					
WMSM	10,982.51	13,993.67	3,996.95	32,197.50	61,170.63
WMSM					
WMSM					
<b>Total</b>	<b>10,982.51</b>	<b>13,993.67</b>	<b>3,996.95</b>	<b>32,197.50</b>	<b>61,170.63</b>

**2.26 Other Financial Liabilities**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Current Maturity of Long Term Borrowings	75,163.91	50,853.09
Interest Accrued and due on Borrowings	21,216.42	8,678.18
Interest accrued but not due	-	1,955.45
Trade Payables	18,327.47	1,513.81
Other Payables	1,781.86	12,215.92
Payables to Related Parties	47.04	-
Dividend Dividends	4.75	20.02
<b>Total</b>	<b>1,26,571.85</b>	<b>73,972.06</b>

**2.27 Other Current Liabilities**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Statutory dues Payable	3,818.32	3,591.78
Other Liabilities	46,827.88	49,861.41
Machinery Advances	366.96	316.26
Mobilisation Advances	3,116.81	2,781.31
Revenue Received in Advances	355.30	370.81
Other advances from related parties	26,290.82	23,410.11
<b>Total</b>	<b>80,216.00</b>	<b>79,772.30</b>

**2.28 Provisions**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	87.38	90.87
Compensated Absences	23.46	21.44
Provision for Deducts	4,128.46	9,530.29
Provision for Expenses	1,470.79	2,624.73
Provision for Major Maintenance and Repairs	-	48,071.00
Provision for Periodic Maintenance	38,144.12	42,428.31
<b>Total</b>	<b>43,854.38</b>	<b>1,41,726.62</b>

**2.29 Current Tax Liabilities (Net)**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
TDS Payable	217.98	1,313.80
<b>Total</b>	<b>217.97</b>	<b>1,313.80</b>

**2.30 Revenues from Operations**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Operating Income</b>		
Income from Contracts and Services	89,081.20	62,941.63
Toll Fee Collection	23,780.67	18,965.14
Others	3,468.57	10,187.47
<b>Total</b>	<b>1,16,220.46</b>	<b>94,014.79</b>

**2.31 Other Income**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income	128.07	129.86
Miscellaneous Income	89,346.90	10,282.69
Capital Grant Deductions	499.33	1,233.07
Dividend Income	0.65	0.77
<b>Total</b>	<b>90,153.51</b>	<b>11,745.99</b>

**2.32 Cost of Materials and Work Expenses**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Stores and Spares	15,682.78	8,823.74
Work Expenses	89,351.70	64,741.26
<b>Total</b>	<b>1,03,075.48</b>	<b>73,573.07</b>

**2.33 Changes in Work-in-progress and Stock**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock	-	1,316.67
Opening Work-in-Progress	-	-
Closing Stock	-	(382.53)
Closing Work-in-Progress	-	-
<b>(Increase)/Decrease in Work-in-Progress</b>	<b>-</b>	<b>934.24</b>

**2.34 Employee Benefits Expense**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & Wages Bonus and Provident Fund	2,700.11	2,694.28
Staff Welfare Expenses	216.73	225.94
<b>Total</b>	<b>2,996.83</b>	<b>2,920.22</b>

**2.35 Finance Cost**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense	1,785.77	3,137.00
Bank Guarantee Commission	11.91	-
<b>Total</b>	<b>4,712.18</b>	<b>3,137.00</b>

**2.36 Other Expenses**

	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Administrative Expenses	1,429.11	46,910.63
Banknote Charges	130.67	82.71
Consultancy charges	368.60	491.15
Revs. Rates & Taxes	553.03	503.08
Advances & Investments written off	32,444.86	6,042.51
Foreign Exchange Loss	442.51	-
<b>Total</b>	<b>35,419.83</b>	<b>53,730.70</b>





## Madhucon Projects Limited

### Notes forming part of Consolidated Financial Statements

#### 2.37 Subsidiaries companies considered in the financial statements are:

S.No.	Name of the Entity	Country of Incorporation	Proportion of Ownership Interest		
			Madhucon Projects Limited	Madhucon Infra Limited	Madhucon Toll Highways Limited
1	Madhucon Infra Limited	India	94.89%	-	-
2	Nama Hotels Private Limited	India	99.96%	-	-
3	Madhucon Mega Mall Private Limited	India	66.67%	-	-
4	Madhucon Heights Private Limited	India	66.67%	-	-
5	Madhurai Tuticorin Expressways Limited	India	54.12%	-	24.48%
6	Madhucon Toll Highways Limited	India	0.01%	99.98%	-
7	Ranchi Expressways Limited	India	0.02%	0.02%	99.94%
8	Barasat Krishnagar Expressways Limited	India	0.03%	0.04%	99.88%
9	TN(DK) Expressways Limited	India	0.13%	50.97%	48.86%
10	Trichy-Thanjavur Expressways Limited	India	0.15%	76.10%	23.70%
11	Chhapra-Hajipur Expressways Limited	India	0.08%	27.86%	23.41%
12	Vijayawada-Machilipatnam Expressways Limited	India	1.78%	13.33%	80.44%
13	Rajauli Bakhtiyarpur Expressways Limited	India	4.80%	4.00%	83.20%
14	PT Madhucon Indonesia	Indonesia	4.86%	85.00%	-

#### 2.38 (a) Contingent Liabilities not provided for:

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Bank Guarantees*	24,105.61	19,929.38
Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	-	8,526.29
Disputed Sales Tax (on appeal)	637.42	687.42
Entry Tax	8.85	8.85
Service Tax	1,655.75	1,655.50
Provident Fund	1,083.64	-
The Group is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable

\*on behalf of Subsidiaries and Joint Ventures



## Madhucon Projects Limited

### Notes forming part of Consolidated Financial Statements

**2.39** The long term unquoted investments in equity shares of subsidiary companies as given hereunder and included in Schedule V are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Name of the entity	No of Shares pledged as at 31.03.2023	No of Shares pledged as at 31.03.2022
1	Madurai Tuticorin Expressways Limited	13,98,20,500	13,98,20,500
2	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
3	Madhucon Infra Limited	51,74,77,705	53,94,77,705
4	Madhucon Toll Highways Limited	12,00,00,000	12,00,00,000
5	Madhucon Heights Private Limited	9,000	9,000
6	TN (DK) Expressways Limited	6,04,87,600	6,04,87,600
7	Trichy-Thanjavur Expressways Limited	4,59,30,000	4,59,30,000
8	Chhapra-Hajipur Expressways Limited	4,74,96,637	4,74,96,637
9	Barasat-Krishnanagar Expressways Limited	2,21,34,000	2,21,34,000
10	Ranchi Expressways Limited	7,52,08,000	7,52,08,000

### 2.40 Deferred Tax Asset / (Liabilities) (net)

Significant components of deferred tax Asset / (Liabilities) for the year ended March 31, 2023:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Asset</b>		
Opening Balance	2,568.36	4,438.51
During the Year	2,007.69	(1,870.14)
<b>Deferred Tax Asset / (Liability) (net)</b>	<b>4,576.05</b>	<b>2,568.37</b>

### 2.41 Disclosure in accordance with IND AS 115 Revenue from Contracts with Customers

	(₹ in Lakhs)	
	2022-23	2021-22
Contract revenue recognized	86,338.99	60,431.64
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for Contracts in progress	5,61,527.75	3,63,034.86
Amount of advances received for contracts in progress	2,975.12	3,238.27
Amount of retention money for contracts in progress	154.24	1,058.26
Gross amount due from customers for contracts in progress	414.15	1,667.75



## Madhucon Projects Limited

### Notes forming part of Consolidated Financial Statements

**2.42 Micro & Small Enterprises:** The management has not identified the enterprises which have provided goods and services to the Group and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31<sup>st</sup> March, 2023 has not been made in the financial statements. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

#### 2.43 Earnings per Share:

	Year ended March 31, 2023	Year ended March 31, 2022
Net Loss after tax available for equity shareholders ( In Lakhs)	(14,369.90)	(10,617.03)
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Weighted Average number of equity shares for Basic EPS (Nos)	7,37,94,940	7,37,94,940
Face Value per Share (₹)	1.00	1.00
Basic and Diluted EPS * (₹)	(19.47)	(14.41)

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

#### 2.44 Related Party Transactions:

##### I. Following are the list of related parties and relationships

S.No.	Particulars	
<b>A.</b>	<b>Enterprises where significant influence exists</b>	
1	Madhucon Estates Limited	
2	MBN Anchored Earth Limited	
<b>B.</b>	<b>Joint Ventures</b>	
3	Madhucon Sino-Hydro JV	
4	Madhucon Shreehari Hale JV	
5	MPL SCCPL SSBBC JV	
<b>C.</b>	<b>Key Management Personnel</b>	
6	Sri Nanna Seethaiah - Managing Director	
7	Sri K. Venkateswarlu - Director cum CFO	
8	Sri Md Shafi - Whole-time Director	
9	Sri D Mall Reddy - Company Secretary	



**Madhucon Projects Limited**  
Notes forming part of Consolidated Financial Statements

**II. Related party transactions during the year as follows**

	( ₹ in Lakhs)	
	2022-23	2021-22
<b>Revenue from Contracts and Services</b>	3,301.91	8,248.51
<b>Remuneration</b>		
Key Management Personnel	134.53	124.38
Sitting Fee	1.75	1.30
<b>Loans/Advances Given</b>		
Subsidiaries	(6,740.22)	604.28
Step-down subsidiaries	957.69	(983.97)
Jointly Controlled/entities and ventures	2544.41	2,251.68
<b>Loans/Advances Received</b>		
Subsidiaries	530.97	-
Step-down subsidiaries	1,476.78	2,373.37
Associates	-	2,809.84
Enterprises owned or significantly influenced by key management personnel or their relatives	-	1,273.19
<b>Retention Money</b>		
Associates	132.98	-
Jointly Controlled/entities and ventures	35.21	12.41

**III. Related Party balances outstanding at the end of the year as follows**

	( ₹ in Lakhs)	
	2022-23	2021-22
<b>Trade Receivables</b>		
Jointly Controlled/entities and ventures	-	-
<b>Outstanding Receivables</b>		
Associates	-	473.65
Jointly Controlled/entities and ventures	-	12.41
Key Management Personnel	64.78	49.33
Enterprises owned or significantly influenced by key management personnel or their relatives	-	3,590.79
<b>Outstanding Payables</b>		
Associates	4,814.39	-
Jointly Controlled/entities and ventures	-	-
Key Management Personnel	-	0.48
Enterprises owned or significantly influenced by key management personnel or their relatives	-	153.02
<b>Bank Guarantees</b>		
Jointly Controlled/entities and ventures	5822.85	5,822.85



## Madhucon Projects Limited

### Notes forming part of Consolidated Financial Statements

#### i) Barasat – Krishnagar Expressways Limited

A subsidiary company entered into an agreement with National Highway Authority of India for undertaking the work of Four Laning of Barasat - Krishnagar Section of NH- 34 (km. 31,000 to km. 115,000) on Design, Build, Finance, Operation & Maintenance and Transfer (DBFOT-Annuity) basis, in the State of West Bengal. The construction work is delayed due to pending approvals and not handing over of Right of Way by NHAI to concessionaire. Hence the Company has terminated the Contract on 31st December, 2015 as NHAI was not able to provide ROW. Both company and NHAI appointed arbitrators and the arbitration proceedings are in progress with 'Society for Affordable Redressal of Disputes' (SAROD).

The borrowings from secured lenders have been declared as NPA by the lenders and no interest has been provided for on the borrowings from institutions.

Cost incurred on the project upto 31-3-2023 at Rs.5,82,41,04,000/- 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. This has resulted in over-statement of Current Assets and understatement of loss for the year accordingly and Cumulative loss to that extent.

#### ii) Ranchi Expressways Limited,

A subsidiary company entered into an agreement with National Highway Authority of India for undertaking the work of Four laning of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis. The company has achieved physical progress of 50.24% as certified by IE and unmeasured progress of about 10% in respect of works in progress.

NHAI terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement. Since project got terminated, the company has initiated arbitration clause and arbitration proceedings commenced. The loans taken financial institutions became NPAs and interest on these loans have not been provided for.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019. CBI is collecting information and investigation is going on. ED also raided on 11-06-2021 and the ED investigation is going on.

#### iii) Madurai – Tuticorin Expressways Limited

During the year the NHAI has levied penalty amount of Rs.606.32 Crs for delay in to carry out the operation and periodic maintenance obligations in the project stretch. The company has commenced Periodic Maintenance works and its obligations however the NHAI has terminated the project on 17-03-2023 through termination notice issued.

The company has taken loans from different financial institutions. Now those loans became NPAs. Interest on these loans have not been provided for.



**Madhucon Projects Limited**  
**Notes forming part of Consolidated Financial Statements**

**iv) Trichy – Thanjavir Expressways Limited**

NHAI has levied penalty of Rs.144.36 Crs for delay in undertaking of Periodic maintenance works. The company has commenced Periodic Maintenance works. However the NHAI has terminated the project on 17-03-2023 through issue of termination notice.

**v) TN (DK) Expressways Limited**

During the year the NHAI has levied penalty of Rs.261.01 Crs for delay in to carry out the operation undertaking of Periodic maintenance obligations in the project stretch. The company has commenced Periodic Maintenance works and completed the major portion of the Periodic maintenance works and its obligations as per the notice given.

The company has taken loans from different financial institutions. Now those loans became NPAs. Interest on these loans have not been provided for.

**2.45 Segment Reporting**

The details of primary segment information for the year ended March 31, 2023 and March 31, 2022 are given below:

The Group is currently focused on three business segments Construction, and Toll Collection

	( ₹ In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Segment Revenue</b>		
Construction	90,335.68	64,941.63
Energy		
Toll Highways	25,928.08	19,685.19
Others		10,187.97
Less : Inter Segment Revenue	(33.30)	
<b>Total</b>	<b>1,16,230.46</b>	<b>94,814.79</b>
<b>Segment Results before Interest and Taxes</b>		
Construction	11,886.92	(5,953.70)
Energy	-	-
Toll Highways	(26,889.01)	(1,804.69)
Others	-	(933.93)
<b>Total</b>	<b>(15,002.09)</b>	<b>(8,692.33)</b>
Less : Interest Expenses	4712.18	3,137.00
<b>Profit Before Tax</b>	<b>(19,714.27)</b>	<b>(10,847.04)</b>
<b>Segment Assets*</b>		
Construction	77,388.87	4,79,114.57
Energy	-	-
Toll Highways	3,53,794.56	4,32,898.43



**Madhucon Projects Limited**  
**Notes forming part of Consolidated Financial Statements**

Others	8,734.30	11,710.23
Less : Inter Segment Elimination	(33,575.44)	(3,74,361.46)
	<b>4,06,342.29</b>	<b>5,49,361.77</b>
<b>Segment Liabilities**</b>		
Construction	2,46,345.78	5,18,989.52
Energy	-	-
Toll Highways	5,05,285.01	5,31,634.47
Others	3,242.41	16,450.51
Less : Inter Segment Elimination	(108,180.85)	(3,74,361.46)
	<b>6,46,692.35</b>	<b>6,92,713.04.</b>

\* Segment Assets excludes current and non-current investments, deferred tax assets

\*\* Segment Liabilities excludes deferred tax liabilities

**2.46** Some of the Bank Accounts in Holding Company at closed projects which are in dormant and have not been reconciled due to non-availability of statements

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

**In terms of our report attached**

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

**For and on behalf of the Board**

**A.Krishna Rao**  
**Partner**  
Membership Number 020085  
UDIN : 23020085DGGQFGA5559

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

**Mohammad Shafi**  
Whole-time Director  
DIN-07178265

Place : Hyderabad  
Date : May 16, 2023

**K. Venkateswarlu**  
Director cum CFO  
DIN-09713108

**D. Malla Reddy**  
Company Secretary  
ACS: 9559


**MADHUCON PROJECTS LIMITED**

CIN: L74210TG1990PLC11114

Reg off: Madhucon Complex, 1-7-70, Jublipura, Khammam - 507002

Tel: 040-235589001, Fax: 040-23556005, Website: www.madhucon.com

 I/We hereby record my/our presence at the 33<sup>rd</sup> annual general meeting of the company being held on 29<sup>th</sup> September, 2023 at 3:00 P.M. at its registered office.

Member Folio/DP ID- Client ID No.

Member /Proxy's name in Block Letters

Signature of Member/Proxy

Regd. Folio/ Client ID:

\*Applicable for members holding share in Electronic Form.

Note to be signed and handed over at the entrance of the Meeting Venue


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**FORM NO.MGT-11  
PROXY FORM**

Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s)	Folio No/client id:
Registered Address:	
E-mail id:	
DP id:	

I/we, being the member (s) of ..... shares of the above names Company hereby appoint:

- Name : ..... E-mail id: .....  
 Address: ..... signature  
 Or falling him,
- Name : ..... E-mail id: .....  
 Address: ..... signature  
 Or falling him

 As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, be held on Friday, the 29<sup>th</sup> day of September, 2023 at 3:00 P.M. at Registered Office: Madhucon Complex, 1-7-70, Jublipura, Khammam – 507 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote**	
		For	Against
<b>Ordinary Business</b>			
1.Ordinary Resolution	To receive, consider and adopt Annual Accounts FY ended 31st March, 2023 a) The Audited Standalone Financial Statements of the Company in IND AS format for the financial year ended 31 <sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon, and b) The Audited Consolidated Financial Statements of the Company in		



**MADHUCON PROJECTS LIMITED**

CIN: L74210TG1990PLC11114

Reg off: Madhucon Complex, 1-7-70, Jublipura, Khammam - 507002

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	IND AS format for the financial year ended 31 <sup>st</sup> March, 2023 together with the report of the Auditors' thereon		
2. Ordinary Resolution	To appoint a director in place of Mr. Seethaiah Nama (DIN: 00784491), who retires by rotation and being eligible offers himself for re-appointment.		
<b>Special Business</b>			
3. Ordinary Resolution	Ratification of the appointment of Mr. K. Venkateswarlu (DIN 06713108) as a "Director Cum CFO" of the Company.		
4. Ordinary Resolution	Ratification of the appointment of Mr. Sambasiva Rao Jasty (DIN: 08526475) as a "Director-Finance & Accounts" of the Company.		
5. Special Resolution	Ratification of the appointment of Mrs. Geeta Batula (DIN 10205129) as an "Independent Director" of the Company.		
6. Ordinary Resolution	To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31 <sup>st</sup> March, 2024.		
7. Ordinary Resolution	Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans of the Company.		

Signed..... day of ..... 2023

Signature of the shareholder(s).....

Signature of the Proxy holder(s).....

affix one rupee stamp
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**Notes:**

1. The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time fixed for holding the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the Signature of any one holder will be sufficient, but names of all the joint holders should be stated.