



Ref No.: MPL/SES/CS/2019

Date: 28.05.2019

To,

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

Dear Sir/Madam,

Sub: Audited financial Statements approved Board Meeting held on 28th May, 2019 at 03.00 PM

Ref: 1) BSE Scrip Code: 531497, NSC Scrip code: MADHUCON

Pursuant to Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Outcome of Board Meeting held on 28th May, 2019 and further to our letter sited above please find attached herewith the following:

1. Audit Report on Consolidated with Unmodified opinion and the Statement of Impact of Audit Qualifications on Consolidation in Annexure – I. (Approved the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended 31.03.2019 along-with Auditors Report and Standalone and Consolidated Annual Audited Financial results along-with the declaration signed by our Managing Director)

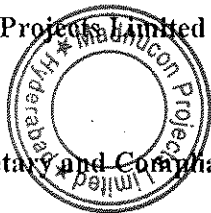
We would request you to please take on record the above and host the same on your website for viewing to the public.

Thanking You,

Yours faithfully

For Madhucon Projects Limited

Deepak Joshi
Company Secretary and Compliance Officer
FCS-4924

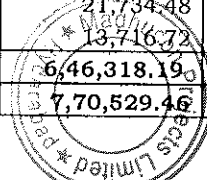


MADHUCON PROJECTS LIMITED
SANDALONE AND CONSOLIDATED BALANCE SHEET

(Rs. in Lakhs)

| S. No. | Particulars | Standalone | | Consolidated | |
|--------|--|--------------------|--------------------|----------------------|----------------------|
| | | Audited | | Audited | |
| | | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| 1 | ASSETS | | | | |
| | Non-current assets | | | | |
| | (a) Property, Plant and Equipment | 4,909.46 | 5,147.73 | 3,13,217.93 | 3,27,998.91 |
| | Capital Work in Progress | - | - | 15,106.39 | 15,041.41 |
| | Intangible Assets | - | - | 1,20,339.13 | 1,27,095.01 |
| | Investment Properties | - | - | 61.46 | 81.56 |
| | (b) Financial Assets | | | | |
| | (i) Investments | 1,71,565.38 | 1,77,181.38 | 53.58 | 53.58 |
| | (ii) Trade receivables | 484.36 | 525.46 | - | - |
| | (iii) Loans | 5,133.46 | 5,131.79 | 5,298.36 | 5,297.83 |
| | (iv) Others Financial Assets | 11,750.39 | 16,407.97 | 92,174.86 | 2,20,752.47 |
| | (c) Deferred Tax Asset | 4,764.21 | 2,301.81 | 4,764.21 | 2,301.81 |
| | (d) Other non-current assets | 19,734.59 | 20,443.57 | 22,947.01 | 23,590.51 |
| | Sub-total Non-current assets | 2,18,341.84 | 2,27,139.71 | 5,73,962.93 | 7,22,213.09 |
| 2 | Current assets | | | | |
| | (a) Inventories | 4,281.51 | 4,493.41 | 6,288.37 | 10,002.53 |
| | (b) Financial Assets | | | | |
| | (i) Investments | - | - | 210.30 | 57.11 |
| | (ii) Trade receivables | 25,780.64 | 19,618.07 | 3,666.80 | 3,115.38 |
| | (iii) Cash and cash equivalents | 1,065.81 | 1,799.32 | 3,344.58 | 4,398.66 |
| | (iv) above | 239.78 | 258.13 | 435.64 | 1,064.12 |
| | (v) Loans | 7,196.48 | 7,189.77 | 168.33 | 164.56 |
| | (vi) Others Financial Assets | 7,127.25 | 7,121.77 | 1,50,362.78 | 25,190.71 |
| | (c) Current tax asset (net) | 14,070.65 | 5,922.18 | 14,528.15 | 6,469.53 |
| | (d) Other current assets | 18,550.60 | 17,483.31 | 17,561.58 | 16,521.65 |
| | Sub-total Current assets | 78,312.72 | 63,885.96 | 1,96,566.53 | 66,984.25 |
| | Total Assets | 2,96,654.57 | 2,91,025.67 | 7,70,529.46 | 7,89,197.34 |
| | EQUITY AND LIABILITIES | | | | |
| | Equity | | | | |
| | (a) Equity Share capital | 740.32 | 740.32 | 740.32 | 740.32 |
| | (b) Other Equity | 80,722.03 | 78,826.86 | (2,12,984.36) | (1,77,495.81) |
| | Less: Profit or Loss from Associates | - | - | - | - |
| | Sub-total Other Equity | 81,462.36 | 79,567.19 | (2,12,244.04) | (1,76,755.49) |
| | Non Controlling Interest | - | - | (4,648.58) | (806.13) |
| | Sub-total Equity | 81,462.36 | 79,567.19 | (2,16,892.62) | (1,77,561.62) |
| | LIABILITIES | | | | |
| 1 | Non-current liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 2,791.42 | 4,558.60 | 3,12,341.35 | 4,51,636.11 |
| | (ii) Trade payables | 8,167.38 | 8,250.99 | 8,256.36 | 8,318.19 |
| | (iii) Other financial liabilities | 6,457.71 | 8,044.18 | 759.76 | 1,643.69 |
| | (b) Provisions | 173.83 | 175.56 | 12,281.87 | 9,350.54 |
| | (c) Deferred tax liabilities (Net) | - | - | 5.03 | 5.03 |
| | (d) Other non-current liabilities | 9,714.99 | 21,946.87 | 7,459.52 | 9,545.05 |
| | Sub-total Non-current liabilities | 27,305.33 | 42,976.21 | 3,41,103.89 | 4,80,498.61 |
| 2 | Current liabilities | | | | |
| | (a) Financial Liabilities | | | | |
| | (i) Borrowings | 65,672.57 | 57,893.74 | 2,63,408.56 | 1,53,350.39 |
| | (ii) Trade payables | 48,895.96 | 40,026.97 | 65,705.91 | 56,897.02 |
| | (iii) Other financial liabilities | 13,228.17 | 11,084.29 | 2,11,250.01 | 1,71,974.59 |
| | (b) Other current liabilities | 41,614.59 | 48,711.57 | 70,502.51 | 74,096.86 |
| | (c) Provisions | 4,762.92 | 4,758.21 | 21,734.48 | 23,929.96 |
| | (d) Current tax liabilities (net) | 13,712.67 | 6,007.48 | 13,716.72 | 6,011.53 |
| | Sub-total Current liabilities | 1,87,886.88 | 1,68,482.27 | 6,46,318.19 | 4,86,260.35 |
| | Total Equity and Liabilities | 2,96,654.57 | 2,91,025.67 | 7,70,529.46 | 7,89,197.34 |

[Handwritten Signature]



Replies to Audit Qualification :

The company has reported the Audited financial results of standalone and consolidated as per Indian Accounting standard (Ind As) read with SEBI circular dated 05.July.2016. These financials were reviewed by the Audit committee in the meeting held on 28th May,2019 and approved by the board of directors of the company at the meeting held on 28th May,2019.



1. The above results are in compliance with Indian Accounting Standards (Ind As) notified by the Ministry of Corporate Affairs, Government of India.

The company has reported the Audited financial results of standalone and consolidated as per Indian Accounting standard (Ind As) read with SEBI circular dated 05th July, 2016. These financials were reviewed by the Audit committee in the meeting held on 28th May, 2019 and approved by the board of directors of the company at the meeting held on 28th May, 2019.

2. The carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries , which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management's internal assessment and initiatives to be implemented to improve the profitability in the medium to long run, the management of the company is of the view that carrying value of the investments and loans and advances are realizable at the value stated in the books.

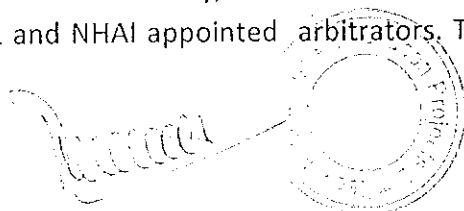
3. In relation to Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh Housing Board (now known as Telangana Housing Board) ("the Board") at Kukatpally in Hyderabad. The Board issued letter for revoking the power of attorney and resumption of land. The Company got a status quo order from court and the case is pending in that court. Taking in to account the constitution of and recommendation made by cabinet sub-committee of Telangana Government, management internal assessment and legal opinion obtained, Company management is confident in succeeding the case and carrying values of investments in and loans to MMMPL are realizable at the values stated in the books of accounts. Financials of MMMPL are prepared on going concern basis.

4. The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated. According to the books of accounts, the closing balance as at March 31, 2019 with respect to Nama

Investments Limited and NNR Investments Limited are Rs.4189.96 Lakhs and Rs.512.19 Lakhs respectively which are recoverable.

5. The company has put up one time settlement with the working capital banks and is working for suitable modification. Therefore the company has not provided the interest on loans amounting to Rs. 73.64 crores. The company reversed the interest provided earlier in first two quarters of the year and has not provided the interest for the balance two quarters of the year, subject to approval of the shareholders in their general meeting.
6. Confirmation of balances could not be obtained as at March 31, 2019 for various trade payables, advances, though the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
7. Simhapuri Energy Limited which is step down subsidiary of the company has defaulted in repayment of dues to banks and financial institutions and the loans were classified as NPA. The Power Purchase Agreement entered into with the Discoms for a 12 year period could not be implemented due to the regulatory approvals pending since 17-18, leading to almost NIL Turnovers / No Profitability / almost NIL Cash Flows, which consequently led to defaults in the Debt Obligations to the lenders. Company has proposed a One Time Settlement offer and also a Re-Structuring Package offer, which is in the stage of refinement. As the unpaid interest of Rs. 398.22 crores is requested to be waived off due to unsustainability, management has decided not to provide for the same in the current year 2018-19.
8. Rajauli - Bakhtiyarpur Project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31.03.2019 Rs. 815.40 lakhs instead of writing-off, has been accounted as claims receivable under the head "other Current Assets. The company intends to propose a claim for recovery of expenses spent.
9. "Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in West Bengal State. The Construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the projects to NHAI on 31st December, 2015. BKEL and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI Had also issued notice for termination of the project vide its letter dated 3rd May, 2016 and BKEL had replied that the notice is not valid. Both BKEL and NHAI appointed arbitrators. The arbitration proceedings

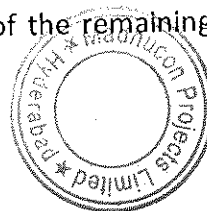


are in progress". As the borrowings from secured lenders have been declared as Non-performing asset by the lender, interest on related borrowings have not been accounted for.

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

As per the Agreement, NHAI failed to hand over 80% land within six months of the Agreement. They have failed to do so, because of which company filed claims. Reacting to that NHAI terminated the Concession Agreement on 29.10.2013 though NHAI failed to issue ROW and further confirmed vide its letter dated 27th August,2014. Company has filed a claim with NHAI and company has got arbitration award. The company filed execution petition and simultaneously NHAI also filed an appeal against award passed by arbitration tribunal. In view of the above going concern assumption is not appropriate and therefore financial statements have been done accordingly.

11. Madurai Tuticorin Expressways limited and Trichy Thanjavur Expressways Limited which are subsidiaries of the company have taken loans from different financial institutions and those loans became NPA's. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company is in the process of finding investor for the project.
12. TN (DK) Expressways limited Expressways Limited which is subsidiary of the company have taken loans from different financial institutions and those loans became NPA's. Interest on such loans have not been recognized for part of the year on both long term and short term portions since the company has proposed OTS which is in the consideration.
13. 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. The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has




initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAH 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 NHAH for the works already completed.

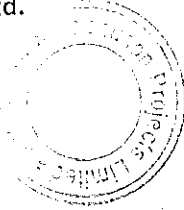
While negotiations are going on for OTS proposal, NHAH has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders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

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

14. The figures of the previous year have been re-arranged/ regrouped wherever necessary.

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


N. Seethaiah
Managing Director
DIN: 00784491



Date : 28.5.2019
Hyderabad

MADHUCON PROJECTS LIMITED

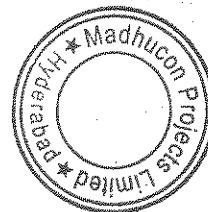
CIN-L74210TG1990PLC011114

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

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019 AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

| Sl. No | Particulars | Standalone | | | | | Consolidated | |
|--------|--|-------------------|------------------|------------------|-------------------|------------------|----------------------|----------------------|
| | | Quarter ended | | Year ended | | | Year ended | |
| | | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | | Audited | Unaudited | Audited | Audited | Audited | Audited | Audited |
| 1 | Income from Operations: | | | | | | | |
| | (a) Net Sales/ Income from Operations | 18,963.66 | 17,066.99 | 22,025.17 | 66,944.33 | 66,393.34 | 94,244.01 | 1,03,546.55 |
| | (b) Other income | 189.77 | 707.21 | 1,722.02 | 1,540.56 | 2,211.28 | 4,074.00 | 4,820.25 |
| | Total Income | 19,153.43 | 17,774.20 | 23,747.19 | 68,484.89 | 68,604.62 | 98,318.01 | 1,08,366.80 |
| 2 | Expenses: | | | | | | | |
| | (a) Cost of Materials Consumed | 18,538.60 | 16,516.08 | 16,445.65 | 58,666.41 | 47,401.29 | 71,345.13 | 71,154.82 |
| | (b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade | - | - | 224.03 | - | (337.40) | 3,489.78 | (3,753.17) |
| | (c) Employee benefits expense | 758.90 | 690.41 | 880.97 | 3,000.88 | 4,457.49 | 4,519.33 | 4,505.99 |
| | (d) Other expenses | 2,319.46 | 357.73 | 3,774.62 | 4,395.45 | 4,945.57 | 9,153.31 | 29,087.26 |
| | (e) Financial Costs | (4,193.16) | 736.06 | 3,199.80 | 2,252.53 | 9,313.06 | 27,904.87 | 83,477.19 |
| | (f) Depreciation and amortisation expense | 200.92 | 190.13 | (67.27) | 771.31 | 1,744.13 | 22,420.08 | 24,876.77 |
| | Total Expenses | 17,624.72 | 18,490.41 | 24,457.79 | 69,086.58 | 67,524.14 | 1,38,832.50 | 2,09,348.86 |
| 3 | Profit/(Loss) Before Exceptional Items (1-2) | 1,528.71 | (716.21) | (710.60) | (601.69) | 1,080.48 | (40,514.49) | (1,00,982.06) |
| 4 | Exceptional Items | - | - | - | - | - | - | - |
| 5 | Profit/(Loss) Before Tax (3-4) | 1,528.71 | (716.21) | (710.60) | (601.69) | 1,080.48 | (40,514.49) | (1,00,982.06) |
| 6 | Tax Expense | | | | | | | |
| | o) Current Tax | - | - | 1,535.01 | - | 2,200.55 | - | (1,937.22) |
| | b) Deferred Tax | (1,660.72) | (312.53) | (2,431.46) | (2,462.40) | (2,431.46) | (2,462.40) | (2,431.46) |
| | Total Tax (a+b) | (1,660.72) | (312.53) | (896.45) | (2,462.40) | (230.91) | (2,462.40) | (4,368.68) |
| 7 | Net Profit/(Loss) After Tax (5-6) | 3,189.43 | (403.68) | 185.85 | 1,860.71 | 1,311.39 | (38,052.09) | (96,613.38) |
| | Share of Profit/(Loss) transferred to Non Controlling Interest | | | | | | (3,663.03) | (10,029.72) |
| | Profit/(Loss) after Tax after Non Controlling Interest | 3,189.43 | (403.68) | 185.85 | 1,860.71 | 1,311.39 | (34,389.06) | (86,583.66) |
| | Share of Profit/(Loss) from Associated Companies | | | | | | | |
| | Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies | 3,189.43 | (403.68) | 185.85 | 1,860.71 | 1,311.39 | (34,389.06) | (86,583.66) |
| 8 | Other Comprehensive Income | 34.45 | | 28.19 | 34.45 | 28.19 | 107.91 | 406.51 |
| | Share of Other Comprehensive Income transferred to Non Controlling Interest | | | | | | 13.05 | 54.79 |
| 9 | Total Comprehensive Income | 3,223.88 | (403.68) | 214.04 | 1,895.16 | 1,339.58 | (34,294.21) | (86,231.94) |
| 10 | Paid up equity share capital (Face Value of Rs.1/- each) | 737.95 | 737.95 | 737.95 | 737.95 | 737.95 | 737.95 | 737.95 |
| 11 | Other Equity | | | | | 78,826.86 | (2,12,984.36) | (1,77,495.81) |
| 12 | (i) Earning per share of Re.1/- each (not annualised) | | | | | | | |
| | (a) Basic (in Rs.) | 4.32 | (0.55) | 0.25 | 2.52 | 1.78 | (46.60) | (117.33) |
| | (b) Diluted (in Rs.) | 4.32 | (0.55) | 0.25 | 2.52 | 1.78 | (46.60) | (117.33) |
| | See accompanying notes to the financial results | | | | | | | |





MADHUCON
PROJECTS LIMITED
CIN: L74210TG1990PLC011114

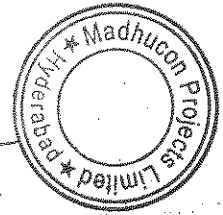
DECLARATION PURSUANT TO REGULATION 52(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2013

We, Madhucon Projects Limited, a Company within the provisions of the Companies Act, 2013, do hereby state and declare that the Auditors Report on the Consolidated Financial Statements for the year ended March 31, 2019 is with an unmodified opinion.

Date : 28/05/2019
Place : Hyderabad

For Madhucon Projects Limited,

Nana Seethaiah
Managing Director
DIN-00784491

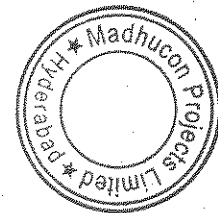


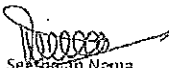
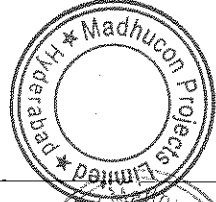
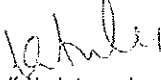
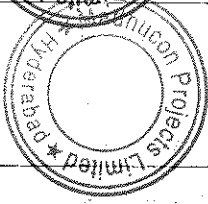
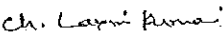



ANNEXURE -I

**Statement on Impact of Audit Qualification (For audit report with modified opinion)
submitted along-with Annual Audited Financial Results – (Consolidated Separately)**

(Rupees in Lakhs)

| Statement on Impact of Audit Qualification for Financial year ended March 31, 2019 | | | | |
|---|----------------|---|--|---|
| [See Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations, 2016] | | | | |
| I. | Sl. No. | Particulars | Audited figures (As reported before adjusting for qualifications) | Audited figures (Audited Figures after adjusting for qualifications) |
| | 1. | Turnover/ Total Income | 98318.01 | Not Ascertainable |
| | 2. | Total Expenditure | 132612.22 | Not Ascertainable |
| | 3. | Net Profit/ Loss | (34294.21) | Not Ascertainable |
| | 4. | Earnings per shares | (46.60) | Not Ascertainable |
| | 5. | Total Assets | 770529.46 | Not Ascertainable |
| | 6. | Total Liabilities | 982773.50 | Not Ascertainable |
| | 7. | Net Worth | 212244.04 | Not Ascertainable |
| | 8. | Any other Financial Item(s) (as felt appropriate by the management) | ----- | ----- |
| | | | | |

| | | |
|------------------|--|--|
| 111 | Signatories | |
| |  Seetharam Nema Managing Director |  |
| |  K. Venkateswarlu General Manager(F&A) |  |
| |  Ch. Lakshmi Kumari, Independent Woman Director Audit Committee Chairperson |  |
| |  P. Murali & Co. Chartered Accountants Statutory Auditor of the Company |  |
| Place: Hyderabad | | |
| Date: 23.05.2019 | | |



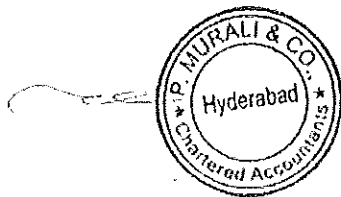
P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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

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

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

1. We have audited the standalone quarterly financial results of M/s. Madhucon Projects Limited for the quarter ended March 31, 2019 and to the year to date financial results for the year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Standalone financial results for the quarter ended March 31, 2019 have been prepared on the basis of the annual standalone IND AS financial Statements for the nine-month period ended December 31, 2018, the Standalone audited annual financial statements as at and for the year ended March 31, 2019, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Standalone financial results based on our review of the financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Ind AS 34, Interim Financial Reporting, specified under section 133 of the act, read with relevant rules issued there under and other accounting principles generally accepted in India and our audit of the annual financial statements as at and for the year ended March 31, 2019; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These Standalone financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these Standalone financial results based on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

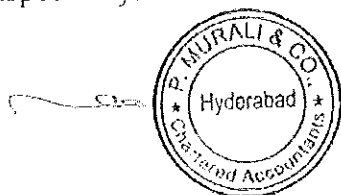


3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, these standalone quarterly financial results as well as the year to date standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; and
 - (ii) Give a true and fair view of the total comprehensive income and other financial information for the quarter ended March 31, 2019 as well as the year to date results for the period from April 1, 2018 to March 31, 2019.

5. **Qualified Opinion:**

- a. Note No.2, to the financial results, in relation to carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries listed in that note, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value made thus, we are unable to comment whether any provision for impairment in the value of advances is required.
- b. Note No. 3, to the financial results, in relation to the Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. The board issued letter for revoking the power of attorney and resumption of land. The company got a status Quo order from Court and the case is pending in the Court. Taking into Account the Constitution of and visit made by Cabinet Sub Committee of Telangana Government, Management Internal Assessment and Legal Opinion Obtained, Management of the Company is confident in Succeeding the case and Carrying values of Investments in and Loans Sanctioned to MMMPL and realizable at the Values Stated in the Books of Accounts.

According to the Books of Accounts and Information and Explanations given to us, the Investment and Balance of Loan as at March 31st, 2019 was Rs 3500 Lakhs and Rs 134.81 Lakhs respectively.






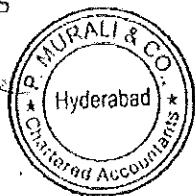
P. MURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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

- c. Note No. 4 to the Financial Results indicate that the outstanding Loans and Advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the Company's Directors have Interest are realizable at the Carrying Values in the Books of Accounts though both these Companies have been incurring Losses and Accumulated Losses exceeded the Net Worth of these Companies for the reasons stated in that Note. According to the Books of Accounts and Information and Explanations given to us, the Closing Balances as at March 31st, 2019 with respect to Nama Investments Limited and NNR Investments Limited are Rs 4189.97 Lakhs and Rs 512.19 Lakhs respectively. The company has not recognized interest income for the same during current financial year. These advances, having regard to financial position of such subsidiary companies and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances.
- d. The company has not complied with the provisions of section 124(5) of the Companies Act, 2013 regarding the remittance of unpaid dividend of Financial Year 2008-09 amounting to Rs. 2,16,049 and Financial Year 2009-10 Rs. 2,45,028/- to Investor Education and Protection Fund (IEPF) within the stipulated period.
- e. Note No. 5 to the Financial Results, The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks. The Company has not provided for interest amounting to Rs. 73.64 Crores (excluding penal interest, if any) for the Year ended 31st March, 2019 on its Loans. The loss of the Company has been understated by Rs.73.64 Crores for the year ended 31st March, 2019 in view of non-provision of Interest amount.
- f. Note No. 6 to the Financial Results, In respect of non-availability of confirmations Trade Payables and various advances/borrowings. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.
- g. The Company is not regular in payment of undisputed statutory dues towards TDS, Provident Fund, Professional Tax and Goods and Service Tax for the year ended 31st March, 2019.

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


A Krishna Rao
Partner
M.No:020085



Place: Hyderabad
Date: 28.05.2019



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

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

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

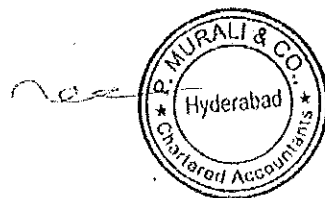
To
The Board of Directors
M/S. MADHUCON PROJECTS LIMITED

1. We have audited the accompanying statement of consolidated financial results (the statement) of M/S MADHUCON PROJECTS LIMITED ('the Company') and its subsidiaries and Associate (the Company and its subsidiaries and Associates together referred to as, 'the Group') for the year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/ 62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's management and have been approved by the Board of Directors of the Company, has been compiled from related consolidated financial statements which have been prepared in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; Our responsibility is to express an opinion on the consolidated Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of Regulation 33 Of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on subsidiaries and step down subsidiaries of the Group referred to in below Paragraph 5 and except for the possible effects of the matters described in below paragraphs 5 & 6, the year to date consolidated financial statement:

- i) Includes the results of the entities listed in Annexure,



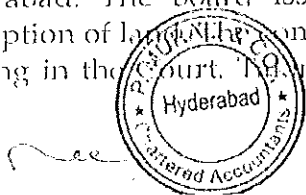
- ii) Are presented in accordance with the requirements of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5,2016 in this regard; and
- iii) Give a true and fair view in conformity with the aforesaid Indian Accounting standards and other accounting principles generally accepted in India of the consolidated loss and total comprehensive income and other financial information of the group for the year ended March 31, 2019.

4. Other Matter Paragraph:

We did not audit the financial statement and other financial information of nine subsidiaries included in the statement, whose financial statements together comprise total assets of Rs. 4, 48,240 Lakhs as at March 31, 2019, Total Revenue of Rs. 24,720 Lakhs, Total Loss of Rs.21188 Lakhs and the Total Comprehensive Income of Rs. 21,188 Lakhs for the year then ended. The financial statements and other financial information including comparative figures of the earlier years of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion in the consolidated financial results, to the extent they have been derived from such financial statement is solely based on the reports of the other auditors.

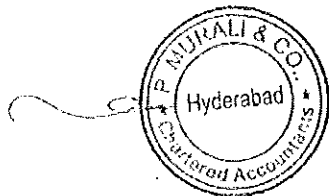
Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

5. The independent auditors of certain subsidiaries have qualified their audit report on the financial statements for the year ended March 31,2019 reproduced by us here under:
- Note No.2, to the financial results, in relation to carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries listed in that note, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments and loans and advances are realizable at the value stated in the books. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value made thus, we are unable to comment whether any provision for impairment in the value of advances is required.
 - Note No. 3, to the financial results, in relation to the Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. The board issued letter for revoking the power of attorney and resumption of land. The company got a status Quo order from Court and the case is pending in the Court. Taking into Account the Constitution of and visit made by



Cabinet Sub Committee of Telangana Government, Management Internal Assessment and Legal Opinion Obtained, Management of the Company is confident in Succeeding the case and Carrying values of Investments in and Loans Sanctioned to MMMPL and realizable at the Values Stated in the Books of Accounts. According to the Books of Accounts and Information and Explanations given to us, the Investment and Balance of Loan as at March 31st, 2019 was Rs 3500 Lakhs and Rs 134.81 Lakhs respectively.

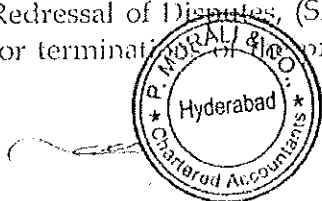
- c. Note No. 4 to the Financial Results indicate that the outstanding Loans and Advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the Company's Directors have Interest are realizable at the Carrying Values in the Books of Accounts though both these Companies have been incurring Losses and Accumulated Losses exceeded the Net Worth of these Companies for the reasons stated in that Note. According to the Books of Accounts and Information and Explanations given to us, the Closing Balances as at March 31st, 2019 with respect to Nama Investments Limited and NNR Investments Limited are Rs 4189.97 Lakhs and Rs 511.98 Lakhs respectively. The company has not recognized interest income for the same during current financial year. These advances, having regard to financial position of such subsidiary companies and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances.
- d. The company has not complied with the provisions of section 124(5) of the Companies Act, 2013 regarding the remittance of unpaid dividend of Financial Year 2008-09 amounting to Rs. 2,16,049 and Financial Year 2009-10 Rs. 2,45,028/- to Investor Education and Protection Fund (IEPF) within the stipulated period.
- e. Note No. 5 to the Financial Results, The Company has defaulted in repayment of dues to Banks for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks. The Company has not provided for interest amounting to Rs. 73.64 Crores (excluding penal interest, if any) for the Year ended 31st March, 2019 on its Loans. The loss of the Company has been understated by Rs.73.64 Crores for the year ended 31st March, 2019 in view of non-provision of Interest amount.
- f. Note No. 6 to the Financial Results, In respect of non-availability of confirmations Trade Payables and various advances/borrowings. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.
- g. The Company is not regular in payment of undisputed statutory dues towards TDS, Provident Fund, Professional Tax and Goods and Service Tax for the year ended 31st March, 2019.



- h. Note No. 7 to the Financial Results, Simhapuri Energy Limited, which is a step down subsidiary to the company, has defaulted in repayment of dues to Banks and Financial Institutions for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. The Company has not provided for interest amounting to Rs.398.22 Crores (excluding penal interest, if any) for the Year ended 31st March, 2019 on its Term Loans and Working Capital Loans. The loss of the Simhapuri Energy Ltd has been understated by Rs.398.22 Crores for the year ended 31st March, 2019 in view of non-provision of Interest amount.
- i. Madhucon Infra Limited, which is a subsidiary to the company, has defaulted in repayment of dues to Banks and Financial Institutions for the year ended 31st March, 2019. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. The Company has not provided for interest amounting to Rs. 1.89 Crores (excluding penal interest, if any) for the Year ended 31st March, 2019 on its Term Loans. And it has not made provision for interest amounting to Rs. 19.8 Crores in respect of 12% fully Convertible Debentures. The loss of the Company has been understated by Rs.21.69 Crores for the year ended 31st March, 2019 in view of non-provision of Interest amount on loans & debentures.

6. Without qualifying our report we draw attention to:

- a. Note No. 8 to the financial results, "Rajauli-Bakthiyarpur Expressways Limited ('RBEL'), which is a step-down subsidiary to the Company, we draw attention to project of the company has been foreclosed with the mutual consent, therefore, going concern is not appropriate and financial statements have been drawn accordingly. As the project of the company has been foreclosed with the mutual consent, cost incurred on the project up-to 31st March, 2018 Rs 8, 15, 39,853/- instead of writing-off, has been accounted as claims receivable under the head, "other current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (provisions, contingent Liabilities and contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of current Assets by Rs.8, 15, 39,853/- and understatement of cumulative loss by the same amount.
- b. i) Note No 9 to the Financial Results, "Barasat-Krishnagar Expressways Limited ('BKEL'), which is a step-down subsidiary to the Company, 'The construction work is delayed due to pending approvals and right of way to be provided by NHAI. The company had issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a supplementary Agreement to the concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'society for Affordable Redressal of Disputes, (SAROD) committee for arbitration. NHAI had also issued notice for termination of project vide its letter dated 3rd May, 2016 and the company had



replied that the notice is not valid. Both company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.

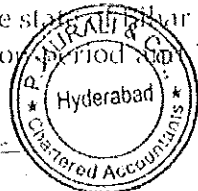
ii) As the borrowings from secured lenders have been declared as Non-performing asset by the lender, interest on related borrowings have not been accounted for.

- c. Note No. 10 to the Financial Results, "Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a step-down subsidiary to the Company, was incorporated under the Companies Act, 1956, on the 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Lining of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Km.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT(Toll) Basis, under NHDP Phase III . This project was awarded by National Highway Authority of India (NHAI). The Company was to hand over the Project Highway to NHAI on the expiry of the Concession Period of 20 years. Later the agreement for the said project was terminated by NHAI. NHAI has not provided 80% of the Land.

In view of the above an amount of Rs 33, 71,207/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.33, 71,207 and understatement of cumulative loss by the same amount. However NHAI has terminated the contract. The Company is not confident of discharging it's liabilities in the normal course of business from the available funds. The company referred the matter with Society for Affordable Redressal of Disputes (SAROD) and got award in its favour. The NHAI has filed appeal with the Honourable High Court of Delhi against the award. However, the claim is not yet received so far.

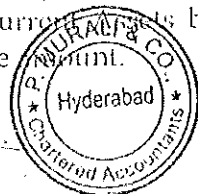
In our opinion, the termination of the Concession Agreement and pending receipt and final approval/ Settlement of the claim by the company till date indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

- d. Note No. 11 to the Financial Results, Madurai Tuticorin Expressways Limited (MTEL), which is a subsidiary to the Company, has taken loans from different financial institutions. Now those loans became NPAs. As per RBI guidelines, interest on such loans need to be recognized on cash basis and not on accrual basis. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.
- e. "Chhapra- Hajipur Expressways Limited (CHEL), which is a step- down subsidiary to the Company, was incorporated under the Companies Act, 1956, on the 02nd Day of June, 2010 as a Special Purpose Vehicle for design, build, operate, finance and transfer of 4 lining of Chhapra- Hajipur section of NH-19 from Kilometres 143.200 to kilometres 207.200 in the state of Bihar on annuity basis for a Concession Period of 15 years (2.5 years of construction period and 12.5 years of operating period). The contract was awarded by



NHAI. The company shall hand over project to the NHAI on expiry of concession period. The concession agreement, on execution, will entitle the company to take a fixed sum of annuity for every 6 months, in arrears, starting from the date of commencement of commercial operations (COD) from NHAI. The construction work is in Progress.

- f. Note No. 11 to the Financial Results, Trichy Thanjavur Expressways Limited (TTEL), which is a step- down subsidiary to the Company, has taken loans from different financial institutions. Now those loans became NPAs. As per RBI guidelines, interest on such loans need to be recognized on cash basis and not on accrual basis. Hence, interest has not been recognized for part of the year on both term and short term portions of loans.
- g. Note No. 12 to the Financial Results, TN (DK) Expressways Limited (TNDK), which is a step- down subsidiary to the company, has taken loans from different financial institutions. Now those loans became NPAs. As per RBI guidelines, interest on such loans need to be recognized on cash basis and not on accrual basis. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.
- h. Note No. 13 to the Financial Results, Ranchi Expressways Limited (REL), which is a step- down subsidiary to the company, was incorporated under the companies Act, 1956, on 2nd Day of June, 2010 as a Special Purpose Vehicle for Design, Build, Operate, Finance and Transfer of 4 lining of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277 .500 in the state of Jharkhand on annuity basis for a concession period of 15 years .This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period. The company has achieved physical progress of 50.24% and approached NHAI for one Time Fund infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crores as One Time Fund infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crores. Lenders and the company have preferred one Time Settlement (OTS) with NHAI for the works already completed. While negotiations are going on for OTS proposal, NHAI has terminated the concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement and called for tenders from public to complete the balance work on EPC basis. Since project got terminated, Lenders are seeking for one Time settlement. Company and Lenders agreed and requested the NHAI to refer the matter to conciliation committee of independent Engineers. The NHAI had given the consent for referring the matter of CCIE vide its letter dated 18-04-2019. The Company has submitted the claim with NHAI. The proceedings of CCIE will commence soon. Cost incurred on the project up-to 31st March, 2019 Rs. 1295,09,49,755/- instead of writing-of has been accounted as claims receivable under the head "other current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.1295, 09, 49,765/-and understatement of cumulative loss by the same amount.





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

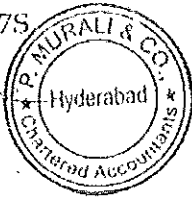
Tel. : (91-40) 2332 6666, 2331 2554
2339 3967, 2332 1470
Fax : (91-40) 2339 2474
E-mail : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurall.com

- i. Madhucon Properties limited, which is an Associate to the company, the accumulated losses completely eroded the Net worth of the company. The Company has suffered recurring Losses. The accounts of the company have been prepared on the basis of going concern assumption. However, the eroded Net worth will significantly affects the company's ability to continue as a going concern unless it raises capital in order to fund its operations.

Our Opinion is not modified in respect of these matters.

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


A Krishna Rao
Partner
M.No:020085



Place: Hyderabad
Date: 28.05.2019

Annexure to Auditors Report:

Subsidiaries

- 1 Madhucon Infra Limited
- 2 Madurai Tuticorin Expressways Limited
- 3 Madhucon Mega mall Pvt Ltd
- 4 Nama Hotels Pvt Ltd
- 5 Madhucon Heights Pvt Ltd

Step Down Subsidiaries

- 6 TN (DK) Expressways Ltd
- 7 Trichy Tanjavur Expressways Ltd
- 8 Chhapra hajipur Expressways Ltd
- 9 Barasa Krishnagar Expressways Ltd
- 10 Ranchi expressways Ltd
- 11 Simhapuri energy Ltd
- 12 Madhucon Toll Highways Ltd
- 13 Vijayawada-Machilipatnam Limited
- 14 Rajauli Bakthiyapur Expressways Limited
- 15 PT Madhucon Indonesia

Associates

- 16 Madhucon Properties Limited

