



MADHUCON

MADHUCON PROJECTS LIMITED

(CIN:L74210TG1990PLC11114)

AN ISO-9001 : 2008 COMPANY

**30th Annual Report
2019 - 2020**

Corporate Information

Board of Directors

Mr. Ramadas Kasarneni	Chairman and Independent Director
Mr. N. Seethaiah	Managing Director
Mr. K. Srinivasa Rao	Whole-time Director (upto dated 23-05-2019)
Mr. Mohammad Shafi	Whole-time Director
Mr. P. Madhava Rao	Independent Director
Mrs. Ch. Lakshimi Kumari	Woman-Independent Director
Mr. Madhu Malampati	Non-Executive & Non-Independent Director (w.e.f. 01-04-2020)

Mr. Deepakbhai Kumudray Joshi	Chief Financial Officer (upto 22-08-2019) & Company Secretary (upto 13-08-2019)
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Mrs. K. Rajani	Company Secretary (w.e.f. 13-08-2019)
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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

P.Murali & Co.,
Chartered Accountants,
(FRN 007257S)
6-3-655/2/3, Somajiguda,
Hyderabad - 500036

Secretarial Auditors

Venkata Krishna & Associates
Company Secretaries
Flat No. C-1, 4th Floor
Eureka Court, Behind Image Hospitals,
Ameerpet, Hyderabad-500 073.

Cost Auditors

BVR & Associates
Cost Accountants
Flat No. 101, R.V. Naipunya Apts.
H.No. 6-3-628/3, Anand Nagar Colony,
Khairatabad, Hyderabad-500 004.

Registrar & Share transfer Agents

Kfin Technologies Private Limited
Karvy Selenium Tower-B, Plot 31- 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032

Bankers

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

NOTICE

To
The Members,
Madhucon Projects Limited

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the Members of Madhucon Projects Limited will be held on Saturday, the 05th day of December, 2020 at 03:00 P.M. (IST) via two-way Video Conferencing (VC facility)/other Audio-Visual Means ('OAVM') ONLY in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses as set out in the Notice of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) the Audited Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2020 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, 2020 together with the report of the Auditors thereon.

2. To appoint Auditors and to fix their remuneration.

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary resolution: **"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby re-appoint M/s P.Murali & Co, Chartered Accountants (FRN 007257S), Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

3. Regularisation of Appointment of Mr. Madhu Malampati (DIN: 00368625) as a Non - Executive and Non – Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:- **"RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Madhu Malampati (DIN: 00368625), who was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act, 2013 read with relevant rules made thereunder and also in accordance with the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and in consent of Board of Directors, and being eligible, offer himself for appointment. Mr. Madhu Malampati, be and is hereby appointed as a Non-executive and Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2021.

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 to M/s BVR & Associates, Cost Accountants (Firm Registration No. 000453), 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, 2021, 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."

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

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. 689.50 Cr. and Rs. 53.40 Cr. Working Capital Loans and Term Loans respectively aggregating to Rs. 742.90 Cr. for the full financial year 2019-20 be not applied and provided for in the books of accounts of the Company on the basis that the Company has submitted the One Time Settlement proposal to all Working Capital Banks and Financial Institutions. Company is working for the approval, with required improvements, modifications, if any, as may be mutually agreed upon by and between the Company and Working Capital Banks / Financial Institutions. "

By Order of the Board
For Madhucon Projects Limited

Place: Hyderabad
Date : 14-09-2020

Sd/-
Nama Seethaiah
Managing Director
DIN:00784491

NOTES :

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books of the company will remain closed from Saturday, the 27th November, 2020 to Saturday, the 05th December, 2020 (both days inclusive).

6. Dispatch of Annual Report through Electronic Mode:

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

7. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website **www.madhucon.com**, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Private Limited ("KFinTech") at <https://evoting.kfintech.com/>

8. For receiving all communication (including Annual Report) from the Company electronically:

- (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company at "**cs@madhucon.com**" or to the Company's RTA (KFin Technologies Pvt. Ltd.) at "**raghu.veedha@kfintech.com**" or "**https://evoting.kfintech.com/**".
- (b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- (a) Members will be able to attend the AGM through VC / OAVM or view the live webcast at "**https://emeetings.kfintech.com**" by using their e-voting login credentials. Members are requested to follow the procedure given below:
 - (i) Launch internet browser (chrome/ fire fox /safari) by typing the URL: "**https:// emeetings.kfintech.com**"
 - (ii) Enter the login credentials (i.e., User ID and password for e-voting).
 - (iii) After logging in, click on "Video Conference" option
 - (iv) Then click on camera icon appearing against AGM event of **Madhucon Projects Limited** to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

- c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to “<https://emeetings.kfintech.com>” and clicking on the ‘Speaker Registration’ option available on the screen after log in. The Speaker Registration will be open during **02nd December, 2020 (Wednesday) to 04th December, 2020 (Friday)**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
 - d) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis to 1,000.
 - e) Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - f) Members who need assistance before or during the AGM can contact KFinTech on “<https://evoting.kfintech.com/>” or call on telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
 11. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
 12. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

13. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means (“e-voting”).

Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting”).

Further, the facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFin Technologies Private Limited as the agency to provide e-voting facility. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below. The remote e-voting facility will be available during the following voting period:

EVSN (E-Voting Sequence Number)	Commencement of e-Voting	End of e-Voting
5704	02-12-2020 at 09:00 A.M	04-12-2020 at 05:00 P.M

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin Technologies Private Limited upon expiry of the aforesaid period. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Friday, 27th November, 2020.

The Board of Directors of the Company has appointed Mr. S. Venkata Krishna Reddy, Practicing Company Secretary (Membership No. ACS: 53083 and CP: 19542), as Scrutinizer to scrutinize the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Information and instructions relating to e-voting are as under:

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as “INVALID”.

- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, 27th November, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person, who is not a member as on the cutoff date, should treat the Notice for information purpose only.
- iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFin Technologies Private Limited in the manner as mentioned below:

- (a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of "<https://evoting.kfintech.com/>", the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call on KFin Technologies Private Limited telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com (from 9:00 a.m. to 6:00 p.m.)
- (d) Member may send an e-mail request to "evoting@kfintech.com" If the member is already registered with KFin Technologies Private Limited e-voting platform, then he can use his existing password for logging in.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- vi. **Information and instructions for remote e-voting:**

I. A. In case a member receives an e-mail from the Company / KFin Technologies Private Limited [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: "[https:// emeetings.kfintech.com](https://emeetings.kfintech.com)"
- (b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFin Technologies Private Limited for e-voting, you can use the existing password for logging in. If required, please call telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on "**LOGIN**".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.).

The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Madhucon Projects Limited.

SHAREHOLDERS TO SELECT THE RESPECTIVE EVENTS AND VOTE DEPENDING UPON THEIR SHAREHOLDING.

- (g) On the voting page, enter the number of shares as on the cutoff date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: "**vkrishna.acs@gmail.com**" with a copy marked to "**evoting@kfintech.com**." It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

(B) In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered / updated their email addresses and bank account details with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at "**cs@madhucon.com**" or to KFin Technologies Private Limited at "**einward.ris@kfintech.com**".
- (b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
- (c) After due verification, the Company / KFin Technologies Private Limited will forward your login credentials to your registered email address.
- (d) Follow the instructions at I. (A). (a) to (m) to cast your vote.
 - i. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
 - ii. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
 - iii. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFin Technologies Private Limited website for e-voting: <https://evoting.kfintech.com/> or contact KFin Technologies Private Limited as per the details given under sub-point no. V below.
 - iv. Members are requested to note the following contact details for addressing e-voting grievances:

Mr. Raghu Veedha
 KFin Technologies Private Limited
 Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad 500 032
 Phone No: +91 40 6716 2222
 Toll-free No: 1800-345-4001
 E-mail: evoting@kfintech.com

- v **Information and instructions for Insta Poll:** Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.
- vi. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.
- vii The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the Scrutinizer's consolidated Report, will be placed on the website of the Company: "**www.madhucon.com**" and on the website of KFin Technologies Private Limited at: "<https://evoting.kfintech.com/>" The result will simultaneously be communicated to the stock exchanges (BSE and NSE).

- viii. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to
- b
- passed on the date of the Meeting, i.e., Saturday, 05th December, 2020.
- e

PROCEDURE FOR INSPECTION OF DOCUMENTS:

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to "cs@madhucon.com."
15. 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, 27th November, 2020 through email to cs@madhucon.com. The same will be replied by the Company suitably.

IEPF RELATED INFORMATION:

The Shareholders who have not encashed their Dividend for the Financial year 2012-13 to 2016-17 may approach the Secretarial Department of the Company for issue of fresh demand drafts against production of such proof of documents as may be required.

OTHER INFORMATION:

16. Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
17. Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / KFin Technologies Pvt. Ltd. to enable the Company to remit the dividend electronically.
18. Members holding shares in physical form are requested to keep their addresses updated and write to the Company's RTA (KFin Technologies Pvt. Ltd.) for updation of the address.
19. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are requested to submit the PAN and Bank account details to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form shall submit their PAN and Bank Account details to the Company's RTA (KFin Technologies Pvt. Ltd.).
20. Members are requested to note that, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer of shares held in physical form, except transmission or transposition, will not be processed after 31st March, 2019. In this regard, members are requested to dematerialize their shares held in physical form. Members may contact the Company or the Company's RTA (KFin Technologies Pvt. Ltd.) for assistance in this regard.
21. To support the 'Green Initiative', Members who have not registered their email IDs so far are requested to register their email IDs for receiving all communication(s) including Annual Report, Notices etc., from the Company in electronic form.
22. The Company has paid the Listing Fees for the Year 2020-21 to both the Stock Exchanges where equity shares of the Company are listed.

ANNEXURE :**Additional information about the Directors being appointed / reappointed as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.****Item No. 3:**

Mr. Madhu Malampati (DIN: 00368625), aged about 38 years having 15 years of experience in construction field.

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

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 3:

In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Madhu Malampati as an Additional Director of the Company pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of the Company and in compliance with applicable regulations of SEBI (Listing Regulations) in the category of Non -Executive and Non Independent Director, with effect from 01st April, 2020.

Mr. M. Madhu Malampati (DIN: 00368625), being eligible and offering himself for appointment, is proposed to be appointed as a Non-Executive Non Independent of the Company. He has done his Masters from Bangalore University and also having 15 years of experience in construction field and he holds 24,000 Equity shares in the Company.

The Board considers that his induction into the Board would be of immense benefit to the Company and it is desirable to avail the services of Mr. Madhu Malampati as a Non-Executive Non Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Madhu Malampati as a Non-Executive Non Independent Director of the Company commencing from the date of his appointment in the ensuing Annual General Meeting placed before the Shareholders for their approval by way of a special business. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing proposing the candidature for the office of Director. The Company has received Mr. Madhu Malampati (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority. Mr. Madhu Malampati, once appointed, will be liable to retire by rotation. In the opinion of the Board, Mr. Madhu Malampati is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI (LODR), Regulations, 2015.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special business set forth in Item No.3 for approval of the shareholders.

Item No. 4:

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s BVR & Associates, Cost Accountants (Firm Registration No. 000453) 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, 2021. In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2021, as set out in the Ordinary Resolution in Item No. 4.

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

Item No. 5:**Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans:**

The board members discussed in this connection that the Company has submitted the One Time Settlement (OTS) proposal to each of the Working Capital Banks during the year 2018-19 and is working with them and 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.

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 : 14-09-2020

Sd/-
Nama Seethaiah
Managing Director
DIN:00784491

DIRECTORS REPORT

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2020.

(` in Lakhs)

1) FINANCIAL SUMMARY

S. No.	Particulars	Standalone	Year ended	Consolidated	Year ended
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:				
	(a) Net Sales/ Income from Operations	54,682.00	66,944.33	73,413.09	94,244.01
	(b) Other income	787.07	1,540.56	4,604.02	4,074.00
	Total Income	55,469.07	68,484.89	78,017.11	98,318.01
2	Expenses:				
	(a) Cost of Materials Consumed	51,044.53	58,666.41	60,650.21	71,345.13
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	1,496.42	3,489.78
	(c) Employee benefits expense	2,196.78	3,000.88	3,530.72	4,519.33
	(d) Other expenses	2,536.45	4,395.45	3,047.03	9,153.31
	(e) Financial Costs	1,343.22	2,252.53	15,028.49	27,904.87
	(f) Depreciation and amortisation expense	836.52	771.31	7,157.74	22,420.08
	Total Expenses	57,956.80	69,086.58	90,910.61	1,38,832.50
3	Profit/(Loss) Before Exceptional Items (1-2)	(2,487.73)	(601.69)	(12,893.50)	(40,514.49)
4	Exceptional Items	22,727.00	-	97,027.06	-
5	Profit/(Loss) Before Tax (3-4)	(25,214.73)	(601.69)	(1,09,920.56)	(40,514.49)
6	Tax Expense				
	a) Current Tax -	-	-	-	-
	b) Deferred Tax	(3,656.98)	(2,462.40)	1,583.67	(2,462.40)
	Total Tax (a+b)	(3,656.98)	(2,462.40)	1,583.67	(2,462.40)
7	Net Profit/(Loss) After Tax (5-6)	(21,557.75)	1,860.71	(1,11,504.23)	(38,052.09)
	Share of Loss transferred to Non Controlling Interest	-	-	(4,921.29)	(3,663.03)
	Profit/(Loss) after Tax after Non Controlling Interest	(21,557.75)	1,860.71	(1,06,582.94)	(34,389.06)
	Share of Profit or Loss from Associated Companies	-	-	-	-
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	(21,557.75)	1,860.71	(1,06,582.94)	(34,389.06)
8	Other Comprehensive Income	71.00	34.45	204.36	107.91
	Share of Other Comprehensive Income transferred to Non Controlling Interest	-	-	0.01	13.05
9	Total Comprehensive Income (7+8)	(21, 486.75)	1895.16	(1,06,378.57)	(34,294.21)
10	Paid up equity share capital (Face Value of Rs. 1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	52,604.48	80,722.03	(2,43,839.86)	(2,12,984.3)
12	(i) Earning per share of Re.1/- each (not annualised)				
	(a) Basic	(29.21)	2.52	(144.43)	(46.60)
	(b) Diluted	(29.21)	2.52	(144.43)	(46.60)

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, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as **ANNEXURE I** to this report.

3) RESERVES: [Section 134(3)(j)]:

Company has not transferred any amount to reserves due to the loss.

4) DIVIDEND: [Section 134(3)(k)]

No dividend was declared on equity shares for the year ended 31.03.2020 due to Loss.

5) BOARD MEETINGS:

The Board met 4 (Four) times during the financial year 2019-2020. 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
584	25.05.2019	585	13.08.2019	586	14.11.2019	587	11.02.2020

6) DIRECTORS' RESPONSIBILITY STATEMENT:

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

- That in the preparation of annual accounts for the financial year ended 31st March, 2020; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit or loss of the Company for that period.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- That the Directors have prepared the annual accounts for the year ended 31st March 2020 on a "Going Concern" basis.
- That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7) ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has structured and implemented framework for Internal Financial Controls ("IFC") in terms of the explanation to Section 134(5) (e) of the Companies Act, 2013. The Board of Directors of the Company is of the opinion that the Company has sound IFC for the year 2019-2020. 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 sec 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-VIII.

9) NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee revised Nomination and Remuneration policy in its meeting held on 28.05.2019 which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management and criteria for determining qualifications, positive attributes, and independence of a director of the Company. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

10) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 86

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.

11) 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.

12) STATE OF THE COMPANY'S AFFAIRS

The Company is a well-established Construction Company and a leading Contractor in executing projects, in various sectors – Transportation (National & State Highways, Roads, Railways & Ports, Irrigation & Water Resources, Buildings & Property Development, Mining (Coal & other Minerals) Energy (Generation, Transmission & Distribution) and other Infrastructure Projects. Further information on the Company's Business and the developments, opportunities and outlook of the Company and the industry in which it operates are discussed in detail in the Management Discussion & Analysis, which is enclosed in **ANNEXURE II**.

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

The information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the **ANNEXURE III** and is attached 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.

Annual Report on CSR in the prescribed format is enclosed in **ANNEXURE IV**.

17) M/s Simhapuri Energy Limited NCLT Matter:

State Bank of India (SBI) has filed a petition against SEL before National Company Law Tribunal (NCLT), Hyderabad Bench Vide No. CP(IB) No. 13/7/HDB/2020 for initiation of CIRP.

18) 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.

19) 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 in **ANNEXURE V**.

20) 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, 2020, 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. The Annual Accounts of Subsidiary Companies will also be kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

21) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR.**a) Change in Key Managerial Personnel during the year**

Sri. Deepakbhai Kumudray Joshi was resigned for the post of Company Secretary of the company and was relieved of his services w.e.f. 13/08/2019.

Smt. Rajani Kamatham was appointed as the Company Secretary of the Company w.e.f. 13/08/2019.

Sri. Deepakbhai Kumudray Joshi was resigned for the post of Chief Financial Officer of the company and was relieved of his services w.e.f. 22/08/2019.

b) Change in Directors during the year

The tenure of Mr. Seethaiah Nama, Managing Director expired on 30-04-2019 and hence the board in its meeting dated 11th February, 2019 re-appointed him as the Whole time Director of the Company for a further period of 3 (three) years w.e.f. 01/05/2019. The board recommended and ratified his appointment in the previous 29th Annual General Meeting.

Mr. Srinivasa Rao Kamma, Whole time Director of the Company has resigned from the directorship due to personal reason w.e.f. 23rd May, 2019 and Board accepted his resignation in its Meeting held on 28-05-2019.

22) VIGIL MECHANISM

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 2019-20, the Company received no complaints on sexual harassment.

24) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/ Courts/Tribunals that would impact the going concern status of the Company and its future operations.

25) DEPOSITS

The Company had not accepted or invited any Deposits and consequently no deposit has matured / become due for re payment as on 31st March 2020.

26) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of the following members as on 31st March 2020:

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

27) COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of the following members as on 31st March 2020:

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri P Madhava Rao, Independent Director as Member
3. Sri Mohammad Shafi, Whole-time Director as Member

28) STATUTORY AUDITORS AND THEIR REPORT

P.Murali & Co., Chartered Accountants (FRN 007257S) were reappointed as Statutory Auditors of the Company for the Financial Year 2019-20 M/s. P. Murali & Co., Chartered Accountants (FRN 007257S) expressed their willingness to be reappointed for the financial year 2020-21 and to hold the office upto the conclusion of the next Annual General meeting, if they are reappointed at this Annual General Meeting. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under 141(1)(g) of the Companies Act, 2013.

29) COST AUDITORS

The Board of Directors, on recommendation of Audit Committee re-appointed BVR & Associates, Cost Accountants (Registration No. 000453) as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to Works Contracts Construction of Roads, etc. for financial year commencing on 1st April, 2019 and ending on 31st March, 2020.

30) 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, Venkata Krishna & Associates, Company Secretaries (ACS 53083 and CP No.19542) has been appointed as Secretarial Auditors of the Company for the financial year 2019-20 to carry out the Secretarial Audit and issue report there on. Secretarial Audit report as issued by Venkata Krishna & Associates, Company Secretaries is annexed to this Report as **ANNEXURE VI**.

31) LISTING WITH STOCK EXCHANGES

The Company's securities have been listed with Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Luxembourg Stock Exchange. Listing fee has been paid to BSE and NSE within the prescribed time limit as set in Regulation 14 of Listing Regulations for the Financial Year 2019-2020.

32) 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.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **ANNEXURE VII** and forms part of this Report.

33) CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Pursuant to the provisions of schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. Report attached as **Annexure-VIII**.

34) APPRECIATIONS

Your Directors wish to place on record their appreciation for the continuous support received from the members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company's employees at all levels.

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

Place: Hyderabad
Date: 14-09-2020

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

Sd/-
(Mohammad Shafi)
Whole-time Director
DIN: 07178265

ANNEXURE - I

Form No. MGT- 9

As on financial year ended on 31-03-2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company

(Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L74210TG1990PLC011114
2.	Registration Date	15.03.1990
3.	Name of the Company	Madhucon Projects Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Public Company
5.	Address of the Registered office & contact details	H.No.1-7-70, Jublipura, Khammam, Telangana-507003
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Pvt. Ltd. (formerly known as Karvy Fintech Pvt. Ltd.), Karvy Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda Hyderabad, Telangana-500 032.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Construction and Construction Services	410, 421,422 and 429	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name of the Company and CIN	% of shares held	Applicable Section
1	Madhucon Infra Limited (CIN: U45200TG2006PLC049235)	94.89	2(87)
2	Madurai-Tuticorin Expressways Limited (CIN-U45203TG2006PLC050114)	54.12	2(87)
3	Madhucon Mega Mall Private Limited (CIN-U45400TG2007PTC056734)	66.66	2(87)
4	Nama Hotels Private Limited (CIN-U55101TG2007PTC056818)	99.96	2(87)
5	Madhucon Heights Private Limited (CIN-U45209TG2007PTC056733)	66.66	2(87)
6	Simhapuri Energy Limited (CIN-U40101TG2005PLC048264)	12.15	2(87)
7	TN(DK) Expressways Limited (CIN- U45200TG2006PLC048941)	0.13	2(87)
8	Trichy-Thanjavur Expressways Limited (CIN- U45200TG2006PLC049815)	0.15	2(87)
9	Chhapra-Hajipur Expressways Limited (CIN- U45209TG2010PLC068742)	0.16	2(87)
10	Barasat-Krishnagar Expressways Ltd (CIN- U45203TG2011PLC073469)	0.03	2(87)
11	Ranchi Expressways Limited (CIN- U45209TG2011PLC073568)	0.017	2(87)
12	Vijayawada – Machilipatnam Expressways Limited (CIN- U45209AP2011PLC077676)	1.78	2(87)
13	Rajauli-Bakhtiyarpur Expressways Limited (CIN- U45203TG2012PLC080775)	4.80	2(87)
14	Madhucon Properties Limited (CIN: U45200TG2005PLC045366)	33.33	2(6)
15	Madhucon Toll Highways Limited (CIN- U93000TG2008PLC060479)	0.0083	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	31040899	0	31040899	42.06	31091095	0	31091095	42.13	0.07
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	12416943	0	12416943	16.83	12416943	0	12416943	16.83	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding) of Promoter (A	43457842	0	43457842	58.89	43508038	0	43508038	58.96	0.07
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	595	0	595	0.00	8031	0	8031	0.00	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FPI/NBFC/NRI									
Non Repatriation	379799	0	379799	0.52	0	0	0	0	-0.52
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (foreign bodies - DR)	20000	0	20000	0.03	20000	0	20000	0.03	0
Sub-total (B)(1):-	400394	0	400394	0.55	28031	0	28031	0.04	-0.52
2. Non-Institutions									
a) Bodies Corp.	3058183	0	3058183	4.14	2117770	0	2117770	2.87	-1.27
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	22081890	254810	22336700	30.27	22684046	254810	22938856	31.08	0.81
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3882069	0	3882069	5.26	4491152	0	4491152	6.09	0.83
c) Others (specify)								0.89	0.06
Non Resident Indians Overseas	614689	0	614689	0.83	652655	0	652655		
Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	39063	0	39063	0.05	54438	0	54438	0.07	0.02
Trusts	6000	0	6000	0.01	4000	0	4000	0.01	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	29681894	254810	29936704	40.56	30004061	254810	30258871	41.01	0.45
Total Public Shareholding (B)=(B)(1)+(B)(2)	30082288	254810	30337098	41.11	30032092	254810	30286902	41.05	-0.07
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	73540130	254810	73794940	100	73540130	254810	73794940	100	0

B) Shareholding of Promoters':

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Nama Nageswar Rao	10732262	14.54	0	10732262	14.54	0	0
2	Nama Chinnamma	6158000	8.34	0	6158000	8.34	0	0
3	Seethaiah Nama	6001800	8.13	0	6001800	8.13	0	0
4	Krishnaiah Nama	2676183	3.63	0	2676183	3.63	0	0
5	Srinivasa Rao Kamma	1031304	1.40	0	1031500	1.40	0	0
6	Prithviteja Nama	1001500	1.36	0	1001500	1.36	0	0
7	Dhanalakshmi Kamma	669000	0.91	0	669000	0.91	0	0
8	Bhavyateja Nama	667350	0.90	0	667350	0.90	0	0
9	Tulasamma Mallampati	645000	0.87	0	645000	0.87	0	0
10	Vamma Nama	645000	0.87	0	645000	0.87	0	0
11	Ramarao Nama	509000	0.69	0	509000	0.69	0	0
12	Seetharamaiah Mareddi	165000	0.22	0	165000	0.22	0	0
13	Bhuvaneswari Nama	67500	0.09	0	67500	0.09	0	0
14	Madhu Malampati	24000	0.03	0	24000	0.03	0	0
15	Venkata Subbarao Thottempudi	24000	0.03	0	24000	0.03	0	0
16	Sucharita Thottempudi	24000	0.03	0	24000	0.03	0	0
17	Madhucon Granites Limited	80,44,000	10.90	0	8044000	10.90	0	0
18	Nama Investments Limited	36,44,410	4.94	0	36,44,410	4.94	0	0
19	NNR Infra Investment Pvt Ltd	7,28,533	0.99	0	7,28,533	0.99	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	43457842	58.89	43457842	58.89
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase (e.g. allotment /transfer / bonus/ sweat equity etc.):	50196	0.07	50196	0.07
	At the end of the year	43508038	58.96	43508038	58.96

D) Shareholding Pattern of top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholders	Shareholding at the beginning of the year (01.04.2019)		Change in Shareholding		Shareholding at the end of the year (31.03.2020)	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of Shares	% of total shares of the Company
1	Chandra Singh Lodha	2649699	3.59	22749	—	2672448	3.62
2	Profitex Shares And Securities Private Limited	559270	0.76	—	—	559270	0.76
3	Kusum Lodha	436925	0.59	—	—	436925	0.59
4	Guntupalli Harish	197054	0.27	—	—	378517	0.51
5	Ashok Vemulapalli	271445	0.37	—	—	271445	0.37
6	Munnangi Bangaru Babu	0	0	—	—	269810	0.37
7	Satya Sayee Babu Divi	259007	0.35	—	—	259007	0.35
8	Trigeo Technologies Private Limited	229574	0.31	—	—	229574	0.31
9	Ashish JAIN	203000	0.28	—	—	203000	0.28
10	MC Jain Infoservices Private Ltd	200000	0.27	—	—	200000	0.27

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Change in Shareholding (01.04.2019)		Shareholding at the end of the year (31.03.2020)	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of Shares	% of total shares of the Company
1	Seethaiah Nama, Managing Director	6001800	8.13	-	-	6001800	8.13
2	Srinivasarao Kamma, Whole Time Director	1031304	1.40	0.02	-	1031500	1.40
3	Mohammad Shafi, Whole Time Director	-	-	-	-	-	-
4	Chinthapalli Lakshmi Kumari, Independent Director	-	-	-	-	-	-
5	Kasaraneni Ramadas, Chairman and Independent Director	-	-	-	-	-	-
6	Madhava Rao Potla, Independent Director	-	-	-	-	-	-
7	Mr. Deepakbhai Kumudray Joshi, Company Secretary (upto 13.08.2019) and CFO (up to 22.08.2019)	-	-	-	-	-	-
8	Mrs. Rajani Kamatham Company Secretary (from 13.08.2019)	-	-	-	-	-	-

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amount in Rs.)

	Secured Loans excluding deposits	Secured Term Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year *				
i) Principal Amount	6,02,10,56	5649.72	-	65860.28
ii) Interest due but not paid	5461.96	-	-	5461.96
iii) Interest accrued but not due				
Total (i+ii+iii)	65672.52	5649.72	-	71322.24
Change in Indebtedness during the financial year				
i) Addition	3432.25	371.87	-	3804.12
ii) Reduction	(154.51)	(695.20)	-	(849.710)
Net Change	3277.74	(323.33)	-	2954.41
Indebtedness at the end of the financial year				
i) Principal Amount	63642.81	4954.52	-	68597.33
ii) Interest due but not paid	5307.45	371.87	-	5679.32
iii) Interest accrued but not due	68950.26	5326.39	-	74276.65
Total (I + ii + iii)				

* Indebtedness at the beginning of the financial year revised as per the new Ind-AS reporting in the current FY 2019-20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Nama Seethaiah, Managing Director	Kamma SrinivasaRao, Whole-time Director	Mohammad Shafi, Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	10,90,323	45,62,904	1,16,52,337
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission- as % of profit- others, specify...	0	0	0	0
5	Others, please specify	0 0	0	0	0
	Total (A)	60,00,000	10,90,323	45,62,904	1,16,52,337

Profit as calculated as per Section 198 **N.A**

B. Remuneration to other directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of the Director			Total Amount
		Ramadas Kasaraneni, Chairman & Independent Director	P. Madhava Rao, Independent Director	Ch. LakshimiKumari, Independent Director	
1	Independent Directors				
	Fee for attending board committee meetings	30,000	10,000	30,000	70,000
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (1)	Nil	Nil	Nil	0
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	0
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (2)	Nil	Nil	Nil	0
	Total (B)=(1+2)	30,000	10,000	30,000	70,000

C. Remuneration to key Managerial Personnel Other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO& CS**	Total
			Mrs. Rajani Kamatham	Mr.Deepakbhaili Kumudray Josh	
1	Gross salary	Nil	6,19,831	12,27,435	18,47,266
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	Others specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	6,19,831	12,27,435	18,47,266

* Joined on 13th August, 2019.** Resigned for the post of CS on 13th August, 2019 and of CFO on 22nd August, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority RD / NCLT / COURT]	Appeal made, If any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

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

Place: Hyderabad
Date: 14-09-2020

(N. Seethaiah)
Managing Director
DIN: 00784491

(Mohammad Shafi)
Whole-time Director
DIN: 07178265

ANNEXURE - II

MANAGEMENT DISCUSSION & ANALYSIS

I. Industry Structure and Developments:

The Infrastructure sector remained as the biggest focus area for the Government of India. In the Union Budget 2020-21, the Govt has launched Rs. 103 trillion infra projects besides providing about Rs. 1.70 trillion (\$ 24.27 billion) for transport infrastructure and accelerating highways construction.

As against the Phase – 1 of 24,800 km of fresh roads and 10,000 km of roads subsumed from the NHDP by 2022 of Bharatmala project, only 10,100 km had been awarded by February, 2020, while the rest is yet to come and expected to be completed by 2025-26. Thus, larger part of this project is still available for reaping the benefit in the near future.

Accelerated development of highways including: 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways to be undertaken in the budget 2020-21,.

The COVID-19 crisis is expected to hit labour-intensive sectors, particularly, hard. In the construction industry alone, migrant workers comprise a large part of the workforce and typically stay in labour colonies at construction sites. As per CREDAI, prior to the lock down, there were around 20,000 ongoing projects across the country. The work was being undertaken in as many as 18,000 sites and more than 30 % of workers were staying away from sites due to the fear of coronavirus infection. Together these projects involved a workforce of 8.5 million. The 40-day lock down in effect since 25 March 2020, which was further extended up to 3rd May 2020 and subsequently to 17th May, 2020, led to reverse migration with workers leaving cities and going back to their villages.

II. Opportunities and Strengths:

The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in the infrastructure sector, mainly highways. Many steps have been taken to improve funding avenues to the infrastructure sector. There are huge opportunities for the industry in the future. Your Company is having opportunities and strengths with an order book position of Rs.2743.31 Crores.

Segment-wise performance:

1. Transportation Division:

Your Company has completed 11,000 lane kms of road projects across India till date. In addition, 1187 lane Kms EPC works of Nagaland and Arunachal Pradesh road project are under progress and at various stages of development.

2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, Dams, Tunnels, Spillways, and Lift Irrigation Projects amounting Rs. 1734.78 Crore PAN India. At present various Irrigation Projects amounting to Rs. 935.06 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and Telangana.

III. Outlook:

Future outlook of infrastructure industry in India:

India is expected to become the third largest construction market globally by 2022. India plans to spend US\$ 1.4 trillion (Rs. 102.20 lakh crore) on infrastructure during 2019-23 to have a sustainable development of the country. India is witnessing significant interest from international investors in the infrastructure space.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy, and urban transport. In April 2020, the Government set a target of constructing roads worth Rs 15 lakh crore (US\$ 212.80 billion) in the next two years.

NHAI will be able to generate revenue of Rs one lakh crore (US\$ 14.31 billion) from toll and wayside amenities over the next five years. In the Union Budget 2020-21, the Government has given a massive push to the infrastructure sector by allocating Rs 1,69,637 crore (US\$ 24.27 billion) to develop the transport infrastructure.

Road Ahead

The infrastructure sector has become the biggest focus area for the Government of India. The Infrastructure in India is estimated to grow at a CAGR of approximately 7% during the forecast period. The five-year-long National Infrastructure Pipeline (NIP) will enter its second year in FY21. About 42% of the projects in the NIP are under implementation, which means construction work is already going on. Another 19% is under a development stage, while a big 31% is still in the conceptual stage. During the fiscals 2020 to 2025, sectors such as Energy (24%), Roads (19%), Urban (16%), and Railways (13%) amount to around 70% of the projected capital expenditure in infrastructure in India

Finance Minister had launched the National Infrastructure Pipeline (NIP) on December 31, 2019, of **Rs 103 lakh crore** infra projects besides providing about **Rs 1.70 lakh crore** for transport infrastructure and accelerating highways construction. It consists of more than 6500 projects across sectors and is classified as per their size and stage of development. **Rs, 22,000 crores** have already been provided, as support to Infrastructure Pipeline. These new projects will include housing, safe drinking water, access to clean and affordable energy, health-care, educational institutes, railway stations, airports, bus terminals, metro and railway transportation, logistics and warehousing, irrigation projects, etc.

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

IV. Risks and Concerns:

The COVID-19 pandemic has the major effect on timely completion of various projects. The availability of construction labour 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. 55,469.07 Lakhs against Rs 68484.89Lakhs and Earning per Share (EPS) of Rs. (38.20) against Rs. 2.52 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.

ANNEXURE - III

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:

(Rs. In Lakhs)

PARTICULARS	2019-20	2018-19
Foreign Exchange Earnings:		
Advance Received	Nil	Nil
Foreign Exchange Outgo:		
i. Towards Travelling	5.93	0.41
ii. Towards Import of Capital Goods	Nil	Nil
iii. Towards payment of equipment Suppliers	Nil	Nil
iv. On account of others		
a. Investment	Nil	Nil
b. Interest	Nil	Nil
c. Loan Repayment	Nil	Nil
v. Others		

ANNEXURE- IV**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****1. A brief outline of the Company's CSR policy:**

In compliance with the requirements of Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility policy) Rules, 2014, your company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Policy of the Company is available at Company Website: www.madhucon.com. CSR policy of the Company indicates the CSR activities in accordance with Schedule VII of the Companies Act, 2013.

2. The composition of the CSR Committee:

Sl.No	Name of the Director	Category	Designation
1.	Mrs. Ch. Lakshimi Kumari	Women Independent Director	Chairperson
2.	Mr. Seethaiah Nama	Managing Director	Member
3.	Mr. Madhava Rao Potla	Independent Director	Member

3. Average net profit of the company for the last three financial years : Rs. 14.15 Crs.

4. Prescribed CSR expenditure (two percent of the amount as above): Rs. 28.30 Lakhs

5. The Company could not spend CSR Expenditure during the year in view of the Net Loss and insufficient cash inflows.

The Company is providing drinking water facilities, giving support to physically handicapped and financially backward class people and promoting children education in association with **NAMA MUTHAIAH MEMORIAL TRUST** having affiliation to Madhucon group.

Sd/-
(Ch. Lakshimi Kumari)
 Independent Director
 Chairperson of CSR Committee
 DIN: 06942473

Annexure - V

PART A: Subsidiaries

(₹ in Lakhs)														
S.No.	Name of Subsidiary	Financial Reporting Year	Currency	Share Capital	Other Equity	"Total Liabilities	Total Equity & Liabilities	Total Assets	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	% of Share Holding
1	Madhucon Infra Limited	31-03-20	INR	12,87,77,70,450	-10,61,97,32,564	17,14,98,84,827	19,40,79,22,712	19,40,79,22,712	19,16,19,32,851	87,39,113	-8,07,67,87,191	-	-8,07,67,87,191	94.89%
2	Madhucon Toll highways	31-03-20	INR	3,58,88,10,000	-3,81,22,554	2,19,000	3,55,09,06,446	3,55,09,06,446	3,40,66,81,244	-	-64,906	-	-64,906	99.98%
3	Madurai Tuticorin Expressways Limited	31-03-20	INR	1,63,65,00,000	-1,79,31,51,508	6,83,17,82,374	6,67,51,30,866	6,67,51,30,866	-	1,01,29,10,221	-17,84,84,635	-	-17,84,84,635	54.12%
4	Trichy Thanjavur Expressways Limited	31-03-20	INR	64,65,00,000	-81,61,58,568	3,19,53,64,432	3,02,57,05,864	3,02,57,05,864	-	49,89,52,192	-75,22,048	-	-75,22,048	76.10%
5	TN (DK) Expressways Limited	31-03-20	INR	74,66,00,000	-56,59,95,894	2,51,49,26,769	2,69,55,30,875	2,69,55,30,875	-	63,54,83,735	-8,01,35,538	-	-8,01,35,538	50.97%
6	Chhappara Hejjur Expressways Limited	31-03-20	INR	64,18,38,000	-2,75,03,57,786	10,07,51,95,391	7,96,66,75,605	7,96,66,75,605	-	8,60,29,456	-1,18,44,20,981	-	-1,18,44,20,981	54.23%
7	Ranchi Expressways Limited	31-03-20	INR	80,80,00,000	1,94,76,46,205	11,12,75,83,801	13,88,32,30,006	13,88,32,30,006	-	-	-93,822	-	-93,822	99.94%
8	Barasat-Krishnagar Expressways Limited	31-03-20	INR	43,40,00,000	1,56,51,88,829	5,73,47,11,995	7,73,39,00,824	7,73,39,00,824	20,10,000	36,742	36,742	-	36,742	99.98%
9	Rajauli-Bakhtiyarpur Expressways Limited	31-03-20	INR	25,00,000	7,36,32,756	55,50,837	8,16,83,593	8,16,83,593	-	-	-29,888	-	-29,888	83.20%
10	Vijayawada Machilipatnam Expressways Limited	31-03-20	INR	45,00,000	-1,91,18,249	3,67,65,671	2,21,47,422	2,21,47,422	-	-	-	-	-	80.44%
11	Nama Hotels Private Limited	31-03-20	INR	2,713.12	5,382.94	11.48	8,107.54	8,107.54	-	-	0	-	(0.30)	99.96
12	Madhucon Heights Private Limited	31-03-20	INR	3.00	(1,965.71)	9,478.72	7,516.01	7,516.01	-	-	0	-	(0.27)	66.67
13	Madhucon Mega Mall Private Limited	31-03-20	INR	3.00	3,458.78	139.39	3,601.17	3,601.17	-	-	1	-	0.60	66.67
14	PT Madhucon Indonesia	31-03-20	INR	72,27,17,000	(39,52,85,973)	49,67,39,972	82,41,70,999	82,41,70,999	2,06,19,205	-64,88,658	-	-	64,88,658	85.00%

Note: Simhapuri Energy Limited which is step down subsidiary of Madhucon Projects Limited is not included due to The Hon'ble NCLT passed an order dated 26.06.2020 against Simhapuri Energy Limited and admitted the corporate insolvency resolution process (CIRP). RP was also appointed. Hence Annual financials of Simhapuri Energy Limited not yet finalized for the year ended 31st March 2020.

PART B: Associates

S.No.	Name of the Associate	Latest Audited Balance Sheet	Shares of Associate by the company on the year end			Description of significant influence	Reason for Non - Consolidation	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the Year	
			No.	Amount of Investment	%				Considered in Consolidation	Not considered in Consolidation
1	Madhucon Properties Limited	31.03.2020	20,000	2.00	33.33	Due to % of Shareholding		-28	(0.22)	

VENKATA KRISHNA & ASSOCIATES

Company Secretaries

ANNEXURE- VI

FORM NO MR - 3
SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members of,
MADHUCON PROJECTS LIMITED,
H.NO.1-7-70, JUBLIPURA, KHAMMAM TG 507003 IN

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

Based on my verification on the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and other authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31stMarch,2020 complied with the statutory provisions listed here under and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Madhucon Projects Limited** for the financial year ended 31stMarch,2020 according to the provisions of:-

- i. The Companies Act, 2013 and the rules made there under as applicable.
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under.
- iii. The Depositories Act, 1996 and the Regulations and Bye Laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;(Not Applicable as there was no Acquisition of Shares)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 1992
 - c. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agent) Regulations 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009(Not applicable as the company did not issue any securities during the financial year under review)
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the company has not bought back any of its securities during the financial under review)
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable as the company has not delisted its equity shares from any stock exchange during the financial under review)

vi. I have also examined compliance with the applicable clauses of the following:

- (a) The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, National Stock Exchange of India Limited, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board and General Meetings of the Company through Revised SSI and SS2.

I, further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
The Chairman of the Board of the Company is being elected in every board meeting. The Chairman of the Company should be either an Executive/Promoter or Independent Director and optimum combination of Executive, Non-executive Directors including Independent and Women Director should be maintained. In case if a company has either Executive / Promoter Chairman then not less than 50% of the Board of Directors shall comprise of Non-executive Independent Directors as per SEBI (LODR) Regulations, 2015.
- (b) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient Compliances.
- (d) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above subject to the following observations:
 - i) The Company has not complied the provision of Section 152 (6)& (7) of the Companies Act, 2013 regarding Retirement of Directors at the 29th Annual general meeting of the Company held on 22/09/2019.
 - ii) The Company has not complied the provision of Section 203 of the Companies Act, 2013 regarding KMP appointment of CFO as the said posts falls vacant since 22nd August, 2019 and appointed on 30th July, 2020 with effect from 1st July, 2020 there has a delay of More than 180 Days.
 - iii) The Company has not complied with the provision of section 124(5)&(6) of the Companies Act, 2013 regarding the remittance of unpaid Dividend and Shares there on of FY 2008-09 amounting to Rs. 2,16,049.60 and FY 2009-10 Rs. 2,45,028.80 to Investor Education and Protection Fund (IEPF) within the stipulated period.
 - iv) The Company has yet to be filed Annual Return on Foreign Liabilities and Assets as notified under the regulations of FEMA Act, 1999. vide notification no- RBI/2010-11/427 A.P. (DIR Series) Circular No. 45.
 - v) In view of losses incurred by the company and in the absence of prior approval from lenders banks and financial institutions, managerial remuneration paid by the company during the year is in excess of limits specified under section 197 read with schedule V of the Companies Act, 2013.
 - vi) The Company has not made any provision in the Books of accounts towards Corporate Social Responsibility Policy under the provisions of section 135 of the companies act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules 2014
 - vii) It was noted that following cases have been filed against Company for the recovery of dues in National Company Law Tribunal (NCLT), Hyderabad Bench.

Sr.No	CASE TITLE AND COURT NUMBER	DETAILS	AMOUNT OF CLAIM (RS. IN CR)
1	ABB Vs MPL CP/691/HDB/18 Court No-1 AA No 23 of 2017	Default of payment <i># Company informed that Settlement is Over and the Agreement for Settlement is yet to be entered with the party.</i>	9 Cr
2	Tecpro, Vs MPL, SEL 137/9/HDB/2018 Court-1	Default of Payments for suppliers	5.22 Cr
3	M/s. SRI BALAJI ASSOCICATES-MPL CP(IB)No.260/9/HDB/2018 Court-2	Default of Payments for suppliers	0.84 Cr
4	Kataline VS MPL . CP(IB)No.27/9/HDB/2018 Court-1	CP(IB) CP(IB)No.27/9/HDB/2018	0.97 Lacs
5	Bank of India vs MPL Court-1	CP/IB/261/7/HDB/2019	63Cr
6	Sri Krishna Engg. Vs MPL	CP/IB/305/9/HDB/2017 <i>#Company informed that Settlement is Over and the Agreement for Settlement is yet to be entered with the party.</i>	4.6Cr
7	ICPS Engg. Private Ltd Vs. MPL	CP(IB)NO.769/9/HDB/2019 <i>#Company informed that Settlement is Over and the Agreement for Settlement is yet to be entered with the party.</i>	16.00 Lacs

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

- a. Maintenance of various statutory registers and documents and making necessary entries there in;
- b. Closure of Register of Members;
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, National Company Law Tribunal (NCLT) or other Authorities;
- d. Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
- e. Notice of Board and various Committee meetings of Directors;
- f. The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g. The 29th Annual General Meeting of the Company was held on 22nd September 2019;
- h. Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i. Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
- j. Payment of remuneration to Directors, Managing Director and Executive Directors;
- k. Appointment and Remuneration of Statutory Auditors and Cost Auditors;
- l. Transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- m. Borrowings and registration of charges;
- n. Report of the Board of Directors;
- o. Investment of the Company's funds including inter-corporate loans and investments;
- p. Generally, all other applicable provisions of the Act and the Rules there under.

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

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

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

- (a) Rule 3(4) A.P. Shops and Establishment Rule, 1990.
- (b) Labour Act, 1970 or Labour Act, 2015 and rules made there under applicable
- (c) A.P. Tax on Professional, Trades Calling and Employment, 1987 and the rules made there under as applicable.
- (d) Employees Provident Fund Scheme, 1952 and the rules made there under as applicable.
- (e) Employee Pension Scheme, 1995 and the rules made there under as applicable.
- (f) Employees Deposit Linked Insurance Scheme, 1976 and the rules made there under as applicable.
- (g) The Employees' State Insurance Act, 1948
- (h) The Workmen Compensation Act, 1923
- (i) Industrial Dispute Act, 1947 and the rules made there under as applicable.
- (j) Payment of Gratuity Act, 1972 and the rules made there under as applicable.
- (k) Contract Labour (Regulations and Abolition) Act, 1970 and Rules there under; and
- (l) Maternity Benefits Act, 1961
- (m) Air prevention and control of pollution Act, 1981
- (n) Environmental protection Act, 1986
- (o) Water prevention and control of pollution Act 1974
- (p) Motor transport Workers Act, 1961
- (q) Noise Pollution (Regulation & Control) Rules, 2000
- (r) Municipals Solid Waste (Management and Handling) Rules, 2000

I further report that as per the information provided by the management the Company is also listed in the Luxembourg Stock Exchange.

I further report that the Company" has made a provision for impairment of investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a stepdown subsidiary in case of which "The Hon'ble National Company Law Tribunal "(NCLT) by an order dated 26-06-2020 admitted the Corporate insolvency resolution process (CIRP).

I further report that the Company is delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date.

I further report that 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 & 2019-20 in view of "the company" approaching for one-time settlement (OTS).

I further report that during the audit period there were no embezzlement / frauds and no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

Place: Hyderabad
Date : 15th September, 2020

For Venkata Krishna & Associates
Company Secretaries
Sd/-
(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083B000717978

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

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

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

For Venkata Krishna & Associates
Company Secretaries

Sd/-
(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)

Place: Hyderabad

Date : 15th September, 2020

ANNEXURE VII

PARTICULARS OF REMUNERATION

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Name of the Director	Ratio to Median Remuneration
Sri N. Seethaiah, Managing Director	27.78
Sri K Srinivasa Rao, Whole-time Director	5.05
Sri Mohammed Shafi, Whole-time Director	21.12

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year - Nil
- (iii) The percentage increase in the median remuneration of employees in the financial year - Nil
- (iv) The number of permanent employees on the rolls of Company - 577
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - Nil
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company. Yes. It is confirmed.

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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

i. Composition and Category of the Directors as on 31st March, 2020

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

As on 31st March 2020, the Board consist of 5 (Five) Directors. There is 1(One) Managing Director, 1(one) Whole-time Directors and 3(three) Non-executive Independent Directors including 1 (One) chairman and 1(one) Woman Director.

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 31.03.2020 has been set out here below:

SL. No.	Name of the Director	Board Meetings attended during the financial year (2019-2020)	Attendance at previous AGM held on 21.09.2019
1	Sri Ramadas Kasarneni Chairman and Independent Director	3	Yes
2	Sri N. Seethaiah Managing Director	4	Yes
3	Sri K. Srinivasa Rao Whole-time Director(upto 23.05.2019)	NA	NA
4	Sri. Mohammad Shafi Whole-time Director	4	No
5	Sri P. Madhava Rao Independent Director	2	Yes
6	Smt. Ch. Lakshimi Kumari Independent Director	4	Yes

iii. 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 director 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 2020 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	Sri N. Seethaiah	Managing Director	7	1	0
2	Sri. Mohammad Shafi	Whole-time Director	0	0	0
3	Sri Ramadas Kasarneni	Chairman and Independent Director	3	3	2
4	Smt. Ch. Lakshmi Kumari	Independent Director	4	4	4
5	Sri P. Madhava Rao	Independent Director	3	5	0

iv. Number of Board Meetings held and Dates on which held:

The Board met 4 (Four) times during the financial year 2019-2020. The Board of Directors of the Company had met with a maximum time gap not exceeding one hundred and twenty days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
584	28.05.2019	585	13.08.2019	586	14.11.2019	587	11.02.2020

The Company places before the Board all those details as required under Listing Regulations. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The Company has video conferencing facilities to enable director's participation at board meetings. Detailed agenda notes are sent to the directors. All the information required for decision making are provided in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Chairperson and the Managing Director appraise the Board on the overall performance of the Company at every board meeting. The Board reviews performance, approves capital expenditure, sets the strategy of the Company to follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Company secretary, Chairman and Managing Director regarding compliances of all laws on a quarterly basis.

3. AUDIT COMMITTEE:

i. Brief description of terms of reference:

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

ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31st March 2020:

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri N. Seethaiah, Managing Director as Member (up to 13.08.2019)
3. Sri Madhava Rao P, Independent Director as Member
4. Sri. Ramadas Kasarneni, Independent Director as Member (from 13.08.2019)

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 28.05.2019, 13.08.2019, 14.11.2019 and 11.02.2020 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	Chairman	4
2	Sri N. Seethaiah (up to 13.08.2019)	Member	2
3	Sri P. Madhava Rao	Member	2
4	Sri. Ramadas Kasarneni(from 13.08.2019)	Member	3

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.

4. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

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

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

ii. Composition and Role of Nomination and Remuneration Committee:

Nomination and Remuneration Committee comprises the following non-executive independent directors as on 31st March 2020:

- 1) Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
- 2) Sri. Ramadas Kasarneni, Independent Director as Member
- 3) Sri. 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 13.08.2019, 14.11.2019 and 11.02.2020 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	Sri. P Madhava Rao	Member	1
3	Sri. Ramadas Kasarneni	Member	3

v. 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) Fulfil 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 2019-2020 are as follows:

Sl. No.	Director	Consolidated Salary (Per Month) (Rs)	Perquisites, Allowances and other Benefits	Performance Bonus/ Incentive/ Commission/ Stock Option	Sitting Fees	Total (Per Annum)
1	Sri N. Seethaiah Managing Director	5,00,000/-	-	-	-	60,00,000/-
2	Sri K. Srinivasa Rao Whole-time Director (up to 23.05.2019)	300,000/-	-	-	-	6,00,000/-
3	Sri. Mohammad Shafi Whole-time Director	300,000/-	-	-	-	36,00,000/-
4	Sri. Ramadas Kasarneni, Independent Director	-	-	-	30,000	30,000
5	Sri. P. Madhava Rao, Independent Director	-	-	-	10,000	10,000
6	Smt. Ch. Lakshimi Kumari, Independent Director	-	-	-	30,000	30,000

vi. Details of shareholding of Directors as on 31st March 2020:

As on 31st March 2020, the Company had 2 (Two) executive directors and 3 (Three) non-executive Independent directors, the one executive directors hold equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

SL. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Sri. Ramadas Kasarneni	Chairman & Independent Director	Nil	Nil
2	Sri. Nama Seethaiah	Managing Director	6001800	8.13
3	Sri. Mohammad Shafi	Whole-time Director	Nil	Nil
4	Sri. P. Madhava Rao	Independent Director	Nil	Nil
5	Smt. Ch. Lakshimi Kumari	Independent Director	Nil	Nil

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

i. Composition of the Committee:

The Stakeholders' Relationship Committee comprises of the following Members as on 31st March 2020

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri P Madhava Rao, Independent Director as Member
3. Sri K. Srinivas Rao, Whole -time Director as Member (up to 23.05.2019)
4. Sri. Mohammad Shafi, Whole-time Director as Member (from 24.05.2019)

ii Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 1 (One) time during the year on 11.02.2020 and the attendance of 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	1
2	Sri. Mohammad Shafi,	Member	1
3	Sri P. Madhava Rao	Member	1

ii. Name and Designation of Compliance Officer: Mrs. Rajani Kamatham Company Secretary.

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.

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

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

vi. 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.

6. GENERAL BODY MEETINGS:

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

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

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

Particulars	Date & Time	Venue	Special Resolution passed
29 th AGM (2018-2019)	21.09.2019 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
28 th AGM (2017-2018)	2.09.2018 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
27 th AGM (2016-2017)	23.09.2016 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil

iii. **Postal Ballot:**

During the year no resolution was passed through postal ballot.

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

iv. **Meeting of Independent Directors**

Pursuant to the companies Act, 2013 read with rules made there under and Secretarial Standard-I issues by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a meeting of the Independent Directors of the Company for the calendar year 2020 was held on 11th February, 2020.

7. 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, 2020 none of the Directors of the Company were disqualified under section 164(2) of the Companies Act, 2013.

iii. **There is no non-compliance by the Company, penalties, and structures imposed on the Company by Stock Exchanges or 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. The key directions/actions will be informed to the Managing Director of the Company.

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

vi. **Auditors' Report certifying the compliance of Corporate Governance as required under Schedule V, Part C of Listing Regulations is annexed herein forming a part of Corporate Governance Report.**

vii. **Subsidiary Companies:**

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

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

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

viii. **SEBI Prevention of Insider Trading:**

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

ix. **The Company has adhered to all the mandatory requirements of corporate Governance norms as prescribed in Schedule V, Part C of Listing Regulations. 2015 a meeting of the Independent Directors of the Company for the calendar year 2020 was held on 11th February, 2020.**

x. **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 2020. 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>

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

8. SHAREHOLDER'S COMMUNICATION:

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 quarter and fourth quarter duly audited within 60 days as per the Regulation 33 of Listing Regulations.

The financial calendar events of 2019-20 relating to quarterly un-audited and quarterly and yearly Audited financial results are as follows:

Financial Results Reporting for the :	for 2019-20 were announced on
1st Quarter ended 30 th June, 2019	13 th August, 2019
2nd Quarter ended 30 th September, 2019	14 th November, 2019
3rd Quarter ended 31st December, 2019	11 th February, 2020
4th Quarter ended and financial year ended on 31st March, 2020	30th July 2020 - standalone financial results 14th September 2020 - consolidated financial results

- 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/i/FinancialResults_31032020.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.
- v. The Company from time to time made the presentations through video conference to institutional investors and/or to the analysts.

9. GENERAL SHAREHOLDER'S INFORMATION:

i. **AGM: Date, Time and Venue:**

Date : 5th December, 2020

Day : Saturday

Time : 03:00 PM

Venue : The AGM of the Company is being held through VC / OAVM and the deemed venue for the AGM shall be the Registered Office of the Company.

ii. **Financial Year:**

The Company follows the financial year commencing from 1st April to 31st March on consistent basis.

iii. **Listing on Stock Exchanges:**

Bombay Stock Exchange (BSE)

Stock Code No.: BSE – 531497

National Stock Exchange (NSE)

Stock Code No.: NSE – MADHUCON

Luxembourg Stock Exchange

Security Name: Madhucon Projects Ltd.

iv. **Stock Code:** INE 378D01032

v. **Market Price Data:**

High and Low during each month in last financial year 2019-2020:

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 2020 are as under-

A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2019	10.23	7.11	353831	754
May, 2019	10.91	6.46	265108	700
June, 2019	8.95	5.84	136050	431
July, 2019	6.40	4.32	80537	330
August, 2019	5.38	4.00	115290	1078
September, 2019	5.10	4.23	61129	295
October, 2019	4.25	3.33	97653	470
November, 2019	5.35	3.88	70342	2011
December, 2019	4.20	3.11	23236	123
January, 2020	4.00	3.30	23570	204
February, 2020	3.53	2.63	61238	280
March, 2020	2.80	1.58	43932	321

A) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares	No. of Trades
April, 2019	10	7.05	811320	1880
May, 2019	10.9	6.4	1328557	2873
June, 2019	9	5.6	668521	1609
July, 2019	6.35	4.05	568090	1305
August, 2019	5.3	3.95	388713	1674
September, 2019	5	4.2	230666	831
October, 2019	4.25	3.3	503582	1106
November, 2019	5.35	3.7	592225	2740
December, 2019	4	3.25	325464	733
January, 2020	3.95	3.15	493011	987
February, 2020	3.45	2.7	582447	1002
March, 2020	2.8	1.6	569022	955

vi. Registrar and Transfer Agents:

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

vii. Share Transfer System:

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

viii. Others:

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

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

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

A) Distribution of Shareholding as on 31st March, 2020

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	16798	95.29	9909169.00	13.43
5,001 - 10,000	430	2.44	3212454.00	4.35
10,001 - 20,000	190	1.08	2717977.00	3.68
20,001 - 30,000	75	0.43	1852376.00	2.51
30,001 - 40,000	30	0.17	1068280.00	1.45
40,001 - 50,000	26	0.15	1183765.00	1.60
50,001 - 1,00,000	38	0.22	2624530.00	3.56
1,00,001 - Above	42	0.24	51226389.00	69.42
Total	17629	100.00	73794940.00	100.00

ix. Dematerialization of shares and liquidity:

7,35,40,130 Equity Shares equivalent to 99.66 % of the total equity share capital have been de-materialized and 2,54,810 are in physical form equivalent to 0.34% as on 31st March 2020.

Trading of equity shares in Demat Form is made compulsory with effect from 1st January 2002 as per the Notification issued by Securities and Exchange Board of India (SEBI). Therefore, shareholders are advised to use the Demat facilities for trading in shares.

Electronic/Physical	No of Shares held	% of Capital
NSDL	4,73,43,308	64.15
CDSL	2,61,96,822	35.50
Physical	2,54,810	0.35
Total	7,37,94,940	100.00

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

- x.** Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No outstanding instruments.
- xi.** Plant Locations – Not applicable since the Company is not engaged in manufacturing activities.

xii. Address for Investors Correspondence:

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

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

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

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

Company Secretary & Compliance Officer:**Mrs.Rajani Kamatham**

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

10. 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 2020-2021.

11. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

12. 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 : 14-09-2020

sd/-
Nama Seethaiah
Managing Director
DIN-00784491

CEO/CFO/GM (Finance & Accounts) Certification

In relation to the Audited Financial Statements of the Company as at March 31, 2019, NamaSeethaiah, Managing Director and K. Venkateswarlu, Chief Financial Officer of the Company certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - 1. That the Financial statements do not contain any materially untrue statement or omit any material factor containing 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/-
(Venkateswarlu)
Chief Financial Officer

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

Place: Hyderabad
Date : 14-09-2020

COMPLIANCE OFFICER'S RESPONSIBILITY STATEMENT :

The Compliance Officer (Mrs. Rajani Kamatham) confirms as on 31st March, 2019 that the Company has:

- ◆ Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and rules made hereunder.
- ◆ Filed all forms and returns and furnished necessary particulars in time to Registrar of Companies (ROC) and/or Authorities as required under the Act.
- ◆ Issued all notices as required to be given for convening the meeting of the Board of Directors and General Meetings of the shareholders within the time limits prescribed by the law.
- ◆ Conducted the meetings of the Board of Directors and Annual General Meeting as per the provisions of the Act.
- ◆ Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors and the shareholders.
- ◆ Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the directors.
- ◆ Obtained necessary approvals of the directors, shareholders, Central Government and other authorities as per the statutory requirements.
- ◆ Given loans and made investments in accordance with the requirements of the Act.
- ◆ Not exceeded the borrowing powers of the company.
- ◆ Registered all the particulars relating to the creation, modification and satisfaction of the charges with the ROC.
- ◆ Effected share transfers and dispatched the certificates within the time limit prescribed under the Act and rules made there under.
- ◆ Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered into with the Stock Exchanges.

The company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

Place: Hyderabad
Date : 30-07-2020

Sd/-
(Rajani. K)
Company Secretary &
Compliance Officer

(i) AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Madhucon Projects Limited

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited (the Company), for the year ended March 31,2020, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

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

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

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

For **Venkata Krishna & Associates**
Company Secretaries

Sd/-
(S V Krishna Reddy)
(ACS 53083; CP 19542)

Place: Hyderabad
Date: 14-09-2020



STANDALONE FINANCIAL STATEMENTS

2019 - 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Madhucon Projects Limited
 Report on the Standalone IND AS financial statements

Qualified Opinion

We have audited the financial statements of **M/s. Madhucon Projects Limited** ("the company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss for the year ended on that date.

Basis for Qualified Opinion

- a. i) We refer to Note No. 01 to the Financial statements, "the Company" has made a provision for impairment of investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a stepdown subsidiary in case of which "The Hon'ble National Company Law Tribunal ("NCLT) by an order dated 26-06-2020 admitted the Corporate insolvency resolution process (CIRP)
- ii) Trade receivables of Rs. 8598.04 Lakhs is due from "SEL" for which no Provision for Expected Credit Losses is made.
- b. Note No.2 to the financial Statements, relating 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 case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of advances is required.
- c. Note No. 3, to the financial Statements, relating 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 company is awaiting for government approval to start the project and carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3500 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
- d. Note No. 4 to the Financial Statements which indicate that the outstanding Loans and advances of Rs 4191.1 Lakhs and Rs 512.49 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.
- e. Note No. 5 to the Financial Statements, "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs. 68,950.31 Lakhs and Rs.5339.92 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans have not been provided for the financial years 2018-19 & 2019-20 in view of "the company" approaching for one-time settlement (OTS).
- f. Note No. 6 to the Financial Statements, in the absence of confirmation of Trade Payables and various advances/borrowings, we are unable to comment on the extent to which such balances are payable/recoverable.

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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

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

- * We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- * We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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;
 - 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - g) In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
 - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is yet to transfer unpaid dividend of Financial Year 2008-09 amounting to Rs. 2,16,049 and Financial Year 2009-10 Rs. 2,45,028/- from unpaid dividend account to Investor Education and Protection Fund (IEPF).

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 : 007257S

A.Krishna Rao

Partner

Membership Number 020085

Place : Hyderabad

Date : July 30, 2020

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of M/s. Madhucon Projects Limited on the Financial Statements for the year ended 31st March 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets 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) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date.
- ii. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are adequate in relation to the size of the Company and the nature of its business.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans and having regard to the rollover stipulations for loans to certain parties:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has not been stipulated and hence we are unable to comment as to whether repayment/receipts of the principal amount and the interest are regular.
 - (c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of principal amount and interest.
- 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. 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 to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues:
 - a) There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

S.No.	Name of the Status	Nature of Due	Period	Rs. in Lacs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	78.79
3	Professional Tax	P T PAYABLE	2011-12 to 2019-20	63.63
4	The Employees Provident funds and Miscellaneous provision act 1952	provident fund	2013-14 to 2019-20	93.88
5	Sales Tax	Sale Tax payable	2013-14 to 2019-20	85.58
6	Works Contract Tax	Works Contract Tax	2014-15 to 2019-20	601.48
7	The Finance Act 1994 Goods and Service Tax	Service Tax Goods and Service Tax	2014-15 to 2017-18 2017-18 to 2019-20	251.66 147.93
8	The Income Tax Act, 1961	Tax Deducted at Source & Interest on it	2019-20	531.58

b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and CESS which have not been deposited as on March 31, 2020 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)
The Income Tax Act, 1961	CIT (Appeals), Hyderabad	2015-16 to 2017-18	11,450.48
Sales Tax	Hon'ble High Court	2001 to 2005 & 2009-10	687.42
Entry Tax	Hon'ble Supreme Court	2006-07, 2007-08, 2009-10 & 2010-11	25.81
Service Tax	Settlement Commission	2010-12	1,655.75

viii. Based on the examination of books of accounts and related records and according to the information and explanations given by the management, the company has defaulted in repayment of dues to financial institutions and banks during the year(Refer Point (e) of Basis for Qualified Opinion), as follows:

Delay in Interest payments: Amount in Rs. Lakhs

Name of the Bank	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 and above days
Axis Bank	0	0	0	0	107.54
ICICI Bank	0	0	0	0	4,315.96
IDBI Bank	0	0	0	0	348.19
Canara Bank	0	0	0	0	193.00
Oriental Bank of Commerce	0	0	0	0	249.40
Name of the Financial Institution					
Mahindra & Mahindra Finance	0.77	1.10	1.57	7.54	84.15
SREI Equipment Finance Ltd.	23.47	24.24	25.00	79.55	290.72

Delay in Principal re payments: Amount in Rs. Lakhs

Name of the Bank	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 and above days
Bank of India	0	0	0	0	1,767.95
Canara Bank	0	0	0	0	5,768.00
Axis Bank	0	0	0	0	8116.29
ICICI Bank	0	0	0	0	5571.75
Name of the Financial Institution					
SREI Equipment Finance Ltd.	93.43	92.66	91.89	271.16	728.30
Mahindra & Mahindra Finance	21.15	33.32	46.55	143.41	488.56

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. In view of losses incurred by "the company" and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 30, 2020

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of M/s. Madhucon Projects Limited ('the company') as of 31st March 2020 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 20020085AAAAIE3593

Place: Hyderabad
Date: 30-07-2020

Madhucon Projects Limited

Balance Sheet as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020		As at March 31, 2019	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	4,189.71		4,909.46	
Financial Assets					
Investments	2.2	1,71,565.38		1,71,565.38	
Trade Receivables	2.3	16,428.66		484.36	
Loans	2.4	17,103.66		5,133.46	
Others Financial Assets	2.5	15,429.17		11,750.39	
Deferred tax Asset (Net)	2.6	8,421.19		4,764.21	
Other Non-Current Assets	2.7	22,990.10		19,734.59	
Total Non-Current Assets			2,56,127.87		2,18,341.84
Current Assets					
Inventories	2.8	2,785.09		4,281.51	
Financial Assets					
Trade Receivables	2.9	2,558.69		25,780.64	
Cash and Cash equivalents	2.10	643.15		1,065.81	
Bank Balances other than above	2.11	577.65		239.78	
Loans	2.12	140.91		7,196.48	
Others Financial Assets	2.13	5,004.47		7,127.25	
Current Tax Asset (Net)		4,837.10		14,070.65	
Other Current Assets	2.14	11,470.00		18,550.60	
Total Current Assets			28,017.06		78,312.72
Total Assets			2,84,144.93		2,96,654.57
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	2.15	740.32		740.32	
Other Equity	2.16	59,235.29		80,722.03	
Total Equity			59,975.61		81,462.36
LIABILITIES					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.17	1,590.20		2,791.42	
Trade Payables	2.18	11,628.04		8,167.38	
Other Financial Liabilities	2.19	6,535.45		6,457.71	
Provisions	2.20	139.90		173.83	
Other Non-Current Liabilities	2.21	4,798.76		9,714.99	
Total Non-Current Liabilities			24,692.34		27,305.33
Current Liabilities					
Financial Liabilities					
Borrowings	2.22	68,950.31		65,672.57	
Trade Payables	2.23	46,722.81		48,895.96	
Other Financial Liabilities	2.24	13,438.73		13,228.17	
Other Current Liabilities	2.25	41,893.87		41,614.59	
Provisions	2.26	24,031.30		4,762.92	
Current Tax Liabilities (Net)		4,439.96		13,712.67	
Total Current Liabilities			1,99,476.98		1,87,886.88
Total Equity and Liabilities			2,84,144.93		2,96,654.57

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 30, 2020

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

Madhucon Projects Limited

Statement of Profit and Loss for the Year ended March 31, 2020

(₹ in Lakhs)

	Note No.	Year ended March 31, 2020		Year ended March 31, 2019	
Income					
Revenue from Operations	2.27	54,682.00		66,944.33	
Other Income	2.28	787.07		1,540.56	
Total Income			55,469.07		68,484.89
Expenses					
Cost of Materials Consumed and Work Expenses	2.29	51,044.53		58,666.41	
Changes in work in progress		-		-	
Employee Benefits Expense	2.30	2,196.08		3,000.88	
Finance Costs	2.31	1,343.22		2,252.53	
Depreciation and amortization expense	2.1	836.52		771.31	
Other Expenses	2.32	2,536.45		4,395.45	
Total Expenses			57,956.80		69,086.58
Profit Before Tax before Exceptional Items			(2,487.73)		(601.69)
Impairment of Investments			22,727.00		-
Profit Before Tax after Exceptional Items			(25,214.73)		(601.69)
Tax Expense					
Current Tax		-		-	
Deffered Tax		(3,656.98)		(2,462.40)	
			(3,656.98)		(2,462.40)
Profit for the Year			(21,557.75)		1,860.71
Other Comprehensive Income / (Loss)					
Remeasurement of the Defined Benefit Plans		71.00		34.45	
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		-		-	
Other Comprehensive Income / (Loss) for the year (net of taxes)			71.00		34.45
Total Comprehensive Income for the Year			(21,486.75)		1,895.16
Earnings per share of face value of Rs. 1/- each					
Basic and Diluted			(29.21)		2.52

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : July 30, 2020

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

Statement of Changes in Equity for the Year ended March 31, 2020

a) Equity Share Capital

	Number of Shares	Amount
Balance as at April 01, 2018	7,37,94,940	740.32
Add : Issue of Share Capital	-	-
Balance as at March 31, 2019	7,37,94,940	740.32
Add : Issue of Share Capital	-	-
As at March 31, 2020	7,37,94,940	740.32

b) Other Equity

(₹ in Lakhs)

	Reserves and Surplus			Items of other comprehensive income / (loss)			Total
	Securities Premium	General Reserve	Retained Earnings	Net gain / (loss) on fair value of defined benefit plans	Other items of income		
Closing Balance as at March 31, 2018	29,313.07	5,061.53	44,890.51	13.47	(451.72)		78,826.87
Profit for the year			1,860.71				1,860.71
Dividend (Inclusive of Tax on Dividend)			-				-
Transfer to Reserves							-
Other comprehensive income / (loss) for the year, net of tax				34.45			34.45
Closing Balance as at March 31, 2019	29,313.07	5,061.53	46,751.22	47.92	(451.72)		80,722.03
Profit for the year			(21,486.75)				
Dividend (Inclusive of Tax on Dividend)							
Transfer to Reserves							
Other comprehensive income / (loss) for the year, net of tax							
Closing Balance as at March 31, 2020	29,313.07	5,061.53	25,264.47	47.92	(451.72)		59,235.28

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

For and on behalf of the Board

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

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 30, 2020

K. Venkateswarlu
Chief Financial Officer

MADHUCON PROJECTS LIMITED
Cash Flow Statement for the Year ended March 31, 2020

(₹ in Lakhs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	Cash flow from operating activities		
	Profit/(loss) before income tax	(2,487.73)	(601.68)
	Adjustments for:		
	Exceptional Item	(22,727.00)	-
	Depreciation and amortisation expense	836.52	771.31
	Dividend and interest income classified as investing cash flows	(20.70)	(77.15)
	Finance costs	1,343.22	2,252.53
	Change in operating assets and liabilities		
	(Increase)/decrease in trade receivables	7,277.65	(6,121.48)
	(Increase) decrease in inventories	1,496.42	211.91
	(Increase)/decrease in other financial assets	(1,556.00)	4,652.10
	(Increase)/decrease in other current and non-current assets	13,058.63	(8,506.77)
	(Increase) decrease in other bank balances	(337.87)	18.35
	Increase/(decrease) in Loans	(4,914.63)	(8.38)
	Increase/(decrease) in trade payables	1,287.50	8,785.39
	Increase/(decrease) in other financial liabilities	19,522.76	557.40
	Increase/(decrease) in other current and non-current liabilities	(13,838.66)	(11,586.24)
	Increase/(decrease) in Non current Investments	-	5,616.00
	Cash generated from operations	(1,059.88)	(4,036.74)
	Income taxes paid	-	-
	Net cash inflow from operating activities	(1,059.88)	(4,036.74)
B	Cash flows from investing activities		
	Payments for property, plant and equipment	(116.78)	(533.03)
	Interest received	20.70	77.15
	Net cash outflow from investing activities	(96.08)	(455.87)
C	Cash flows from financing activities		
	Proceeds/(Repayment) of long term borrowings	(1,201.22)	(1,767.19)
	Proceeds from short term borrowings (net)	3,277.74	7,778.83
	Interest paid	(1,343.22)	(2,252.53)
	Net cash outflow from financing activities	733.30	3,759.11
	Net increase/(decrease) in cash and cash equivalents	(422.66)	(733.51)
	Cash and cash equivalents at the beginning of the financial year	1,065.81	1,799.32
	Cash and cash equivalents at end of the year	643.15	1,065.81
	Reconciliation of cash and cash equivalents as per the cash flow statement		
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents	643.15	1,065.81
	Balances per statement of cash flows	643.15	1,065.81

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 30, 2020

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

Notes forming part of Financial Statements

Company Overview:

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

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

Significant accounting policies:

1.1 Statement of compliance

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

1.2 Basis of preparation

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

Measurement of fair values:

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

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

1.3 Presentation of financial statements

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

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.

1.4 Cash flow statement:

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

- i. Changes during the year in inventories and operating receivables and payables and transactions of a non-cash nature;

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

1.5 Use of Accounting Estimates :

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

1.6 Property, Plant and Equipment

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

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

1.7 Intangible Assets

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

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 intangible assets and use the carrying value as deemed cost of the intangible assets on the date of transition i.e April 01, 2015.

1.8 Depreciation/ Amortisation

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

1.9 Impairment of Assets :

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the

carrying amount that would have been determined had no impairment loss is recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.10 Financial Instruments :

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

A. Financial Assets

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

Subsequent Measurement

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

(a) Financial Assets at Amortised Cost

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

(b) Financial Assets Measured at Fair Value

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

(c) Impairment of Financial Assets

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

(d) De-recognition of Financial Assets

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

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

B. Equity Instruments and Financial Liabilities

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

(a) Equity Instruments

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

(b) Financial Liabilities

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

(c) Subsequent Measurement

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

(d) De-recognition of Financial Liabilities

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

C. Offsetting Financial Instruments

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

1.11 Investment property

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

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

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

1.12 Inventories:**Raw Materials:**

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

Work in Progress:

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

1.13 Cash and cash equivalents

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

1.14 Provisions, Contingent Liabilities and Contingent Assets:

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

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

1.15 Interest in Joint Operations

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

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

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

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

1.16 Revenue Recognition

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

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

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

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

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

1.17 Other Income:

a) Dividend Income:

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

b) Interest Income:

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

1.18 Insurance claims

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

1.19 Claims

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

1.20 Commitments

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

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for
- b) Uncalled liability on shares and other investments partly paid

- c) Funding related commitment to subsidiary, associate and joint venture companies and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.21 Foreign exchange translation and foreign currency transactions :

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

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

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

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

1.22 Employee Benefits:

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

1.23 Borrowing Costs:

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

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

1.24 Taxes on Income

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

Current Tax

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

Deferred tax

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

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

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

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

1.25 Leases

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

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

1.26 Fair value measurement

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

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

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

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

1.27 Earnings per Share:

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

**2.1 Property, Plant and Equipment
MADHUCON PROJECTS LIMITED**

(₹ in Lakhs)

	Land	Building	Plant & Equipment	Tipper & Trucks	Furniture & Fixtures	Vehicles	Centring Material	Temporary Structures	Computers	Capital Work-in-Progress	Total
Cost											
As at 1 April 2017	1,231.51	21.67	30,728.51	12,962.02	1,255.71	1,884.71	2,115.89	3,177.27	402.77	167.12	53,947.18
Additions	-	-	436.71	935.57	32.43	234.95	80.78	248.78	23.60	87.70	2,080.52
Disposals/Adjustments	(11.04)	-	(3,683.45)	(809.88)	(9.80)	(69.15)	-	-	-	(214.81)	(4,798.13)
As at 31 March 2018	1,220.48	21.67	27,481.77	13,087.71	1,278.35	2,050.50	2,196.66	3,426.05	426.37	40.01	51,229.57
Additions	-	-	430.04	-	30.83	68.19	19.74	9.82	11.90	35.51	606.03
Disposals/Adjustments	-	-	(895.39)	(324.00)	-	(66.89)	-	-	-	-	(1,286.28)
As at 31 March 2019	1,220.48	21.67	27,016.42	12,763.71	1,309.17	2,051.81	2,216.41	3,435.87	438.27	75.52	50,549.32
Additions	-	-	229.22	-	17.75	27.84	0.39	-	13.84	48.19	337.23
Disposals	-	-	178.73	290.84	-	164.41	-	-	13.15	123.70	770.83
As at 31 March 2020	1,220.48	21.67	27,066.92	12,472.87	1,326.92	1,915.24	2,216.80	3,435.87	438.96	-	50,115.72
Depreciation											
As at 1 April 2017	-	5.90	30,616.09	10,730.36	852.70	1,464.24	2,008.29	2,460.03	330.72	-	48,468.33
During the year	-	3.54	-	567.12	136.71	261.45	-	711.78	63.53	-	1,744.13
Disposals/Adjustments	-	-	(3,433.93)	(688.08)	(0.07)	(8.55)	-	-	-	-	(4,130.63)
As at 31 March 2018	-	9.44	27,182.15	10,609.40	989.35	1,717.14	2,008.29	3,171.81	394.26	-	46,081.84
During the year	-	1.08	389.20	166.41	73.82	4.66	20.70	97.38	18.05	-	771.31
Disposals/Adjustments	-	-	(822.39)	(324.00)	-	(66.89)	-	-	-	-	(1,213.29)
As at 31 March 2019	-	10.52	26,748.97	10,451.81	1,063.16	1,654.91	2,028.99	3,269.19	412.31	-	45,639.86
During the year	-	10.08	79.18	277.60	198.27	97.18	79.98	73.68	20.56	-	836.52
Disposals/Adjustments	-	-	(466.18)	-	-	(71.04)	-	-	(13.15)	-	(550.37)
As at 31 March 2020	-	20.60	26,361.96	10,729.41	1,261.42	1,681.04	2,108.97	3,342.87	419.72	-	45,926.01
As at 31 March 2019	1,220.48	11.15	267.44	2,311.90	246.01	396.89	187.41	166.68	25.96	75.52	4,909.46
As at 31 March 2020	1,220.48	1.07	704.95	1,743.47	65.49	234.20	107.84	93.01	19.24	-	4,189.71

Notes forming part of Financial Statements

2.2 Investments

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
1) Investment in Equity Instruments				
(i) Subsidiaries				
In Shares of ₹ 10 each, fully paid up (otherwise specified)				
Madhucon Infra Limited	1,22,20,27,045	1,22,202.70	1,22,20,27,045	1,22,202.70
Madurai Tuticorin Expressways Limited	8,85,61,500	8,856.15	8,85,61,500	8,856.15
Simhapuri Energy Limited	11,17,80,714	22,727.00	11,17,80,714	22,727.00
Nama Hotels Private Limited	2,71,21,200	2,712.12	2,71,21,200	2,712.12
TN (DK) Expressways Limited	1,00,000	10.00	1,00,000	10.00
Trichy Thanjavur Expressways Limited	1,00,000	10.00	1,00,000	10.00
Chhapra Hajipur Expressways Limited	1,00,000	10.00	1,00,000	10.00
Madhucon Toll Highways Limited	30,000	3.00	30,000	3.00
Madhucon Mega Mall Private Limited	20,000	2.00	20,000	2.00
Madhucon Heights Private Limited	20,000	2.00	20,000	2.00
Barasat-Krishnagar Expressways Limited	14,000	1.40	14,000	1.40
Ranchi Expressways Limited	14,000	1.40	14,000	1.40
PT Madhucon Indonesia	7,60,000	350.97	7,60,000	350.97
7,60,000 Ordinary Shares of Indonesia Rph 10,110				
Madhucon Natural Resources Limited				
(Singapore)(Face Value of SGD 1)	750	0.21	750	0.21
(ii) Associates:				
In Shares of ₹ 10 each, fully paid up				
(otherwise specified)				
Madhucon Properties Limited	20,000	2.00	20,000	2.00
(iii) Others:				
In Shares of ₹ 10 each, fully paid up				
(otherwise specified)				
Rajanagaram Gas Power Private Limited	4,88,080	48.81	4,88,080	48.81
Canara Bank Limited	4,100	1.44	4,100	1.44
2) Other Investments				
Nama Hotels Private Limited	-	5,500.00	-	5,500.00
Madhucon Megamall Private Limited	-	3,500.00	-	3,500.00
PT Madhucon Indonesia	-	3,573.18	-	3,573.18
Madurai Tuticorin Expressways Limited	-	435.00	-	435.00
Chhapra Hajipur Expressways Limited	-	1,616.00	-	1,616.00
Total		1,71,565.38		1,71,565.38

	As at March 31, 2020		As at March 31, 2019	
	Cost	Market Value	Cost	Market Value
Aggregate market value of Quoted Investments	1.44	4.02	1.44	10.82
Aggregate amount of Unquoted Investments	1,71,563.94	-	1,71,563.94	-
Total	1,71,565.38	4.02	1,71,565.38	10.82

- (i) The carrying value of investments held includes unsecured loans and advances given by the company to its subsidiaries. Certain subsidiaries have been incurring losses, net worth was fully or substantially eroded. Taking into account the management's internal assessment and initiatives 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.
- (ii) Madhucon Mega Mall Private Limited (MMMPL) is a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land allotted by Andhra Pradesh Housing Board (now known as Telangana Housing Board) ("the Board") at 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 recent developments on the visit & representation made by cabinet subcommittee of Telangana Government to their higher authorities, management internal assessment and legal opinion obtained, the management of the Company is awaiting the final approval from the Government for going ahead with the said project and financials are prepared on going concern basis.
- (iii) Simhapuri Energy Limited (SEL) one of the step down subsidiary was admitted in the NCLT and Resolution Professional (RP) was appointed. In view of ongoing Corporate Insolvency Resolution Process (CIRP) based on the management internal assessment, Investments in Simhapuri Energy Limited (SEL) was provided as Impairment on Investments as per IND AS 36 "Impairment of the Assets" in the books of accounts as on 31st March 2020.
- (iv) The long term unquoted investments in equity shares of subsidiary companies as given hereunder are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Name of the Subsidiary	No of Shares pledged	
		2019 -20	2018 -19
1	Madurai Tuticorin Expressways Limited	8,85,61,500	8,85,61,500
2	Madhucon Infra Limited	53,94,77,705	56,44,77,705
3	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
4	Simhapuri Energy Limited	3,27,21,965	3,27,21,965

2.3 Trade Receivables

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Un Secured, Considered good Trade Receivables				
*From Related Parties	16,010.01	59.68	484.36	22,302.96
*From Others	418.66	2,499.01		3,477.69
Total	16,428.66	2,558.69	484.36	25,780.64

2.4 Loans

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Security Deposit	223.83	140.91	431.29	167.36
Loans to Related Parties	16,879.83	-	4,702.16	7,029.13
Total	17,103.66	140.91	5,133.46	7,196.48

The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies. The closing balance as at March 31, 2020 with respect to Nama Investments Limited and NNR Infra Investments Limited are ₹ 4,191.10 Lakhs and ₹ 512.49 Lakhs respectively.

2.5 Other Financial Assets

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Bank Deposits with more than 12 months maturity	554.84	-	551.35	-
Earnest Money Deposits	188.22	-	188.22	-
Retention Money Deposit	3,415.43	3,058.51	2,904.04	2,381.16
Other receivables from Related Parties	8,369.26	109.83	7,183.17	4,141.88
Advances Recoverable	2,901.42	1836.13	923.60	604.22
Total	15,429.17	5,004.47	11,750.39	7,127.25

2.6 Deferred Tax Asset / (Liability) (net)

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Opening Balance	4,764.21	2,301.81
Timing Difference	3,656.98	2,462.40
Total	8,421.19	4,764.21

2.7 Other Non-Current Assets

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Capital Advances	-	-	2,581.97	-
Advance to suppliers and sub-contractors	13,733.82	11,403.94	5,894.79	15,181.08
Others	7,442.00	-	11,257.84	-
Other Deposits	-	2.75	-	2.69
Interest Accrued on Deposits	-	7.59	-	8.62
Advance to Related Parties	1,814.28	55.73	-	3,358.21
Total	22,990.10	11,470.00	19,734.59	18,550.60

2.8 Inventories

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Raw Materials	2,206.28	3,702.70
Work-in-Progress	578.81	578.81
Total	2,785.09	4,281.51

2.9 Trade Receivables

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Un Secured, Considered good		
Trade Receivables		
From Related Parties	59.68	22,302.96
From Others	2,499.01	3,477.69
Total	2,558.69	25,780.64

2.10 Cash and Cash Equivalents

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Cash on hand	4.94	14.84
Balances with Banks		
In Current Accounts	581.56	1,013.27
In Deposit Accounts with Maturity less than 3 months	32.70	13.75
Unpaid Dividend Accounts	23.94	23.94
Total	643.15	1,065.81

2.11 Bank Balances Other than above

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Margin Money and other deposits with banks	577.65	239.78
Total	577.65	239.78

2.12 Loans

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security Deposit	140.91	167.36
Loans to Related Parties	-	7,029.13
Total	140.91	7,196.48

2.13 Other Financial Assets

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Retention Money Deposit	3,058.51	2,381.16
Other receivables from Related Parties	109.83	4,141.88
Advances Recoverable	1,836.13	604.22
Total	5,004.47	7,127.25

2.14 Other Current Assets

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Other Deposits	2.75	2.69
Advance to suppliers, sub-contractors and others	11,403.94	15,181.08
Interest Accrued on Deposits	7.59	8.62
Advance to Related Parties	55.73	3,358.21
Total	11,470.00	18,550.60

2.15 Equity Share Capital

(₹ in Lakhs)

	Number of Shares	As at March 31, 2020	Number of Shares	As at March 31, 2019
Authorised				
Equity Shares of ₹ 1 each	30,00,00,000	3,000.00	30,00,00,000	3,000.00
Redeemable Preference Shares of ₹ 100 each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Total		5,000.00		5,000.00
Issued, Subscribed and Called up Capital				
Equity Shares of ₹ 1 each	7,42,68,940	742.69	7,42,68,940	742.69
Fully paid up Capital				
-				
Equity Shares of ₹ 1 each	7,37,94,940	737.95	7,37,94,940	737.95
Add : Forfeited Shares Amount originally paid up		2.37		2.37
Total		740.32		740.32

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

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	7,37,94,940	737.95	7,37,94,940	737.95
Add: Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	7,37,94,940	737.95	7,37,94,940	737.95

b) Terms / Rights attached to shares

The Company has only one class of paid-up equity shares having par value of ₹ 1 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

(₹ in Lakhs)

Name of the Share Holders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Share holding	No. of Shares held	% of Share holding
1) Sri Nama Nageswara Rao	1,07,32,262	14.54	1,07,32,262	14.54
2) M/s Madhucon Granites Limited	80,44,000	10.90	80,44,000	10.90
3) Smt. Nama Chinnamma	61,58,000	8.34	61,58,000	8.34
4) Sri Nama Seethaiah	60,01,800	8.13	60,01,800	8.13

d) 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**

2.16 Other Equity

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Share holding	No. of Shares held	% of Share holding
(a) Securities Premium		29,313.07		29,313.07
(b) General Reserve				
Opening Balance	5,061.53		5,061.53	
Add: Transfer from Surplus in Statement of Profit and Loss	-		-	
Closing Balance		5,061.53		5,061.53
(c) Surplus in Statement of Profit and Loss				
Opening Balance	46,751.22		44,890.51	
Add : Profit for the Year Translation Movement	(21,486.75)		1,860.71	
Less : Appropriations	-		-	
Proposed Dividend	-		-	
Dividend Distribution Tax	-		-	
Transfer to General Reserve	-		-	
Closing Balance		25,264.47		46,751.22
(d) Other Components of Equity				
Remeasurements of the Employee Defined Benefit Plans	47.92		47.92	
Expected credit loss on fair valuation of financial assets	(311.70)		311.70)	
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method	(140.02)		(140.02)	
		(403.79)		(403.79)
Total (a)+(b)+(c)+(d)		59,235.29		80,722.03

2.17 Borrowings

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current Maturities	Non Current	current Maturities
Term Loans				
Secured:				
From Other Parties	1,590.20	3,749.72	2,791.42	2,871.83
Total	1,590.20	3,749.72	2,791.42	2,871.83

Notes for Long Term Borrowings From Banks and Financial Institutions

Term Loans from Financial Institutions:

- SREI Equipment Finance Limited : Secured by hypothecation of various equipments financed through the loan arrangements.
- Mahindra & Mahindra Financial Services Limited : Secured by hypothecation various movable assets financed through the loan arrangements.

Name of the Bank / Financial Institution	No. of Instalments Outstanding	Rate of Interest	Outstanding (₹ in Lakhs)	Repayment Terms/Period of Maturity
SREI Equipment Finance Limited	44	10.00%	4,442.99	Monthly May 22
Mahindra & Mahindra Financial Services Limited	24	11.26%	897.90	Monthly June 20

2.18 Trade Payables

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
For Supplies and Services	1,614.05	35,332.25	2,112.47	38,226.56
Retention Money Deposits	5,343.95	6,855.97	5,084.15	6,658.05
Others	4,670.04	4,534.59	970.77	4,011.35
Total	11,628.04	46,722.81	8,167.38	48,895.96

Confirmation of balances could not be obtained as at 31st March 2020 for Trade Payables, various advances and borrowings though, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of accounts upon receipt of these confirmations..

2.19 Other Financial Liabilities

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long Term Borrowings		3,749.72		2,871.83
Interest Accrued and due on Borrowings		1,965.45		2,018.77
Unpaid Dividend Accounts		23.71		23.71
Payable to Related Parties	236.09	-	2.50	-
Other Payables	6,299.36	7,699.84	6,455.21	8,313.85
Total	6,535.45	13,438.73	6,457.71	13,228.17

2.20 Provisions

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	87.45	109.68
Compensated absences	52.45	64.14
Total	139.90	173.83

2.21 Other Non-Current Liabilities

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	4,790.04	2,247.22	9,706.27	2,709.68
Machinery Advance	-	316.26	-	316.26
Material Advance	8.72	8.76	8.72	2,113.49
Revenue Received in advance	-	279.17	-	154.93
Other Advances from Related Parties	-	39,042.45	-	36,320.23
Total	4,798.76	41,893.87	9,714.99	41,614.59

2.22 Borrowings

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand Secured:		
From Banks	68,950.31	65,672.57
Total	68,950.31	65,672.57

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

- First pari-passu hypothecation charge to all working capital banks in Multiple Banking Arrangement on all existing and future current assets
- Second pari-passu on all the fixed assets of the Company both present and future.
These facilities carry an interest rate of 10% to 14% per annum
Outstanding balances as on March 31, 2020

Name of the Bank

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
ICICI Bank	25,358.90	25,345.41
State Bank of India	4,698.95	4,698.95
Oriental Bank of Commerce	5,249.40	5,249.40
Kotak Mahindra Bank	4,889.92	5,044.43
IDBI Bank	7,848.19	7,848.19
Bank of India	4,220.12	4,215.13
AXIS Bank	10,723.83	7,310.06
Canara Bank	5,961.00	5,961.00
Total	68,950.31	65,672.57

Company has defaulted in repayment of dues to the banks as at 31st March 2020 and all the outstanding loans were classified as NPA by the banks. The company has not provided the interest amounting to Rs. 90.02 Cr (excluding penal interest if any) for the year ended 31st March 2020 on its loans.

Details of delay in repayment of principal and interest to Banks and Financial Institutions as on March 31, 2020

(₹ in Lakhs)

Name of the Bank / Financial Institution	Principal (in lakhs)	Period of Delay	Interest in (In lakhs)	Period of Delay
Bank of India	1,767.65	993 - 1358 days	-	-
IDBI Bank			348.19	485 - 850 days
Oriental Bank of Commerce			249.40	486 - 851 days
ICICI Bank			4,107.30	973 - 1338 days
Axis Bank Limited			35.25	335 days
Canara Bank			193.00	422 days

2.23 Trade Payables

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
For Supplies and Services	35,332.25	38,226.56
Retention Money Deposits	6,855.97	6,658.05
Others	4,534.39	4,011.35
Total	46,722.81	48,895.96

2.24 Other Financial Liabilities

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Borrowings	3,749.72	2,871.83
Interest Accrued and due on Borrowings	1,965.45	2,018.77
Unpaid Dividend Accounts	23.71	23.71
Other Payables	7,699.84	8,313.85
Total	13,438.73	13,228.17

2.25 Other Current Liabilities

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Revenue Received in advance	279.17	154.93
Mobilization Advance	2,247.22	2,709.68
Machinery Advance	316.26	316.26
Material Advance	8.76	2,113.49
Other Advances from Related Parties	39,042.45	36,320.23
Total	41,893.87	41,614.59

2.26 Provisions

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	22.05	19.37
Compensated absences	16.00	11.77
Other Provisions		
Provision for Taxation	-	3,465.55
Provision for Expenses	406.85	406.85
Provision for Impairment of Investments	22,727.00	-
Provision for Others	859.40	859.38
Total	24,031.30	4,762.92

2.27 Revenue from Operations

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Income from Contracts and Services	53,305.36	64,661.38
Other Operating Income	1,376.64	2,282.95
Total	54,682.00	66,944.33

2.28 Other Income

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	20.70	77.15
Miscellaneous Income	734.56	1,463.41
Foreign Exchange Gain	31.82	-
Total	787.07	1,540.56

2.29 Cost of Materials Consumed and Work Expenses

(₹ in Lakhs)

	Year ended March 31, 2020		Year ended March 31, 2019	
Construction Materials, Stores and Spares				
Opening Stock	3,702.70		3,685.88	
Add: Purchases	8,512.42		8,809.65	
Less : Closing Stock	2,206.28		3,702.70	
Total Consumption		10,008.84		8,792.83
Work Expenses	41,035.69	41,035.69	49,873.58	49,873.58
Total		51,044.53		58,666.41

2.30 Employee Benefits Expense

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries & Wages and Bonus	2,030.62	2,744.89
Contribution to provident and other funds	1.99	3.20
Staff Welfare Expenses	163.47	252.79
Total	2,196.08	3,000.88

2.31 Finance Cost

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	869.15	2,061.14
Bank Guarantee Commission	474.07	191.39
Total	1,343.22	2,252.53

2.32 Other Expenses

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Rent	327.26	311.69
Rates & Taxes	74.81	143.05
Travelling Expenses	120.10	135.61
Security Expenses	52.80	120.91
Insurance Charges	46.27	74.03
Consultancy charges	566.88	331.25
Trade Receivables written off	-	1,860.77
Advances written off	94.48	49.60
Other Administrative Expenses	309.79	339.06
Foreign Exchange Loss	944.06	1,029.48
Total	2,536.45	4,395.45

2.33 Contingent Liabilities not provided for:

(₹in Lakhs)

S.No	Particulars	As at 31.03.2020	As at 31.03.2019
1	Bank Guarantees**	25,857.16	37,130.22
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	26,000.00	26,000.00
3	Disputed Sales Tax (on appeal)	6,024.85	6,906.52
4	Income Tax demand contested in appeal	11,450.48	7,138.61
5	Entry Tax	25.82	-
6	Service Tax	1,655.45	-
7	Goods and Service Tax	162.58	-
8	The Company is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable

**on behalf of Subsidiaries and Joint Ventures.

2.34 Remuneration to auditors:

(₹in Lakhs)

S.No	Particulars	2019-2020	2018-19
1	Statutory Audit Fee	8.00	8.00
2	Tax Audit Fee	2.00	2.00

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

(₹in Lakhs)

Particulars	2019-20	2018-19
Contract revenue recognized	53,305.36	64,661.38
Aggregate of contract costs incurred and recognized profits (less recognized losses) up to the reporting date for Contracts in progress	52,245.37	468,060.93
Amount of advances received for contracts in progress	3,691.22	11,002.46
Amount of retention money for contracts in progress	9,569.04	8,693.40
Gross amount due from customers for contracts in progress	7,218.56	14,290.58

2.37 Micro & Small Enterprises: The Management has taken steps to identify the enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2020 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2020 to Micro and Small Enterprises is NIL. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

2.38 Earnings per Share:

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax available for equity shareholders (₹ in Lakhs)	(21,557.75)	1,860.71
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 * (₹)	(29.21)	2.52

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

2.39 Related Party Transactions:**I. Following are the list of related parties**

S.No. Particulars

A. Subsidiaries

- 1 Madhucon Infra Limited
- 2 Madurai – Tuticorin Expressways Limited
- 3 Madhucon Mega Mall Private Limited
- 4 Nama Hotels Private Limited
- 5 Madhucon Heights Private Limited

B. Step-down Subsidiaries

- 6 TN (DK) Expressways Limited
- 7 Trichy - Thanjavur Expressways Limited
- 8 Chhapra Hajipur Expressways Limited
- 9 Barasat-Krishnagar Expressways Limited
- 10 Ranchi Expressways Limited
- 11 Simhapuri Energy Limited
- 12 Madhucon Toll Highways Limited
- 13 Vijayawada-Machilipatnam Expressways Ltd
- 14 Rajauli Bakthiyapur Expressways Limited
- 15 PT Madhucon Indonesia

C. Associates

- 16 Madhucon Properties Limited.

(II) Related party transactions during the year as follows

(₹ in Lakhs)

S.No. Particulars**D. Enterprises where significant influence exists**

17	Nama Investments Limited
18	Madhucon Info Tech Limited
19	Madhucon Land Developers Limited
20	Madhucon Estates Limited
21	Nama Properties Limited
22	NNR Infra Investments Private Limited
23	Rajanagaram Gas Power Private Limited
24	Mana Stone & Sand Private Limited
25	Madhucon Mineral Resources Limited
26	Nama Energy Private Limited
27	MBN Anchored Earth Limited

E. Joint Ventures

28	Madhucon Sino-Hydro JV
29	Madhucon Shreehari Hule JV
30	MPL SCCPL SSBBC JV

F. Key Management Personnel:

31	Sri Nama Seethaiah	-	Managing Director
32	Sri K Srinivasa Rao (upto 23.05.2019)	-	Whole Time Director
33	Sri Md Shafi	-	Whole Time Director
34	Sri Deepakbhai K. Joshi (upto 22.08.2019)	-	Chief Financial Officer
35	Smt K Rajani (w.e.f. 13.08.2019)	-	Company Secretary
36	Sri K Venkateswarlu (w.e.f. 01.07.2020)	-	Chief Financial Officer

G. Relatives of Key Management Personnel

37	Sri Nama Krishnaiah
38	Sri Nama Nageswara Rao
39	Sri Nama Rama Rao

(II) Related party transactions during the year as follows

(₹ in Lakhs)

	2019-20	2018-19
Revenue from Contracts and Services		
Step-down subsidiaries	7.23	4,555.84
Jointly Controlled/entities and ventures	917.34	13,217.75
Remuneration		
Key Management Personnel	115.81	114.00
Director Sitting Fee	0.70	-
Loans/Advances Given		
Subsidiaries	5,155.51	9.14
Step-down subsidiaries	37.96	22.55
Associates	2,582.18	0.20
Jointly Controlled/entities and ventures	41.64	
Enterprises owned or significantly influenced by key \ management personnel or their relatives	2.38	3.55
Loans/Advances Received		
Subsidiaries	-	-
Step-down subsidiaries	1,700.44	86.48
Jointly Controlled/entities and ventures	1,255.38	104.60
Retention Money		
Step-down subsidiaries	0.36	225.98
Jointly Controlled/entities and ventures	0.75	799.74
Mobilisation Advance Recovered		
Step-down subsidiaries	-	11,211.07

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

(₹ in Lakhs)

	2019-20	2018-19
Trade Receivables		
Subsidiaries	533.70	484.36
Step-down subsidiaries	15,499.87	22,222.46
Jointly Controlled/entities and ventures	36.11	80.50
Outstanding Receivables		
Subsidiaries	12,730.54	7,575.03
Step-down subsidiaries	5,148.48	5,186.07
Associates	2,181.01	
Jointly Controlled/entities and ventures	4,365.60	4,364.84
Key Management Personnel	236.24	83.97
Enterprises owned or significantly influenced by key management personnel or their relatives	4,866.32	9,290.35

	2019-20	2018-19
Outstanding Payables		
Associates	-	401.17
Step-down subsidiaries	16,590.12	38,761.33
Jointly Controlled/entities and ventures	3,176.98	1,921.60
Key Management Personnel	131.17	131.31
Enterprises owned or significantly influenced by key management personnel or their relatives	1,009.14	482.64
Corporate Guarantees		
Subsidiaries	26,0000.00	26,0000.00
Step-down subsidiaries		
Bank Guarantees		
Step-down subsidiaries	4,335.00	4,335.00
Jointly Controlled/entities and ventures	8,900.00	9,286.00

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

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 : 007257S

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : July 30, 2020

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer



CONSOLIDATED FINANCIAL STATEMENTS

2019 - 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

M/s. Madhucon Projects Limited

Report on the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying consolidated 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, 2020, the Consolidated Statement of Profit and Loss (including the statement of other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and loss and other comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified opinion

- a
 - i) "The Company" has made a provision for impairment of investments of Rs. 22727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary in case of which "The Hon'ble National Company Law Tribunal "(NCLT) by an order dated 26-06-2020 admitted the Corporate insolvency resolution process (CIRP).
 - ii) Trade receivables of Rs.8598.04 lakhs is due from "SEL" for which no provision for expected credit losses made.
 - iii) Simhapuri Energy limited (SEL) which is a step down subsidiary to the company, financial statements of SEL were not included in consolidated financial statements for the year ended 31st March, 2020. Hence previous year consolidated financial statements are not comparable with current year consolidated statements.
- b. The consolidated financial statements, relating 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 case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of advances is required.
- c. "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 company is awaiting for government approval to start the project and carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3500 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
- d. The outstanding Loans and advances of Rs 4191.1 Lakhs and Rs 512.49 Lakhs granted to "Nama Investments Limited" and "NNR Infra Investments Private Limited" respectively, in which the Company's Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances.
- e. The company is yet to transfer unpaid dividend of Financial Year 2008-09 amounting to Rs. 2,16,049 and Financial Year 2009-10 Rs. 2,45,028/- from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- f. "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs. 68,950.31 Lakhs and Rs.5339.92 Lakhs respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions. Interest on these loans has not been provided for the financial years 2018-19 & 2019-20 in view of "the company" approaching for one-time settlement (OTS).

- g. In the absence of confirmations of Trade Payables and various advances/borrowings, we are unable to comment on the extent to which such balances are payable /recoverable.
- h. The Company delayed in payment of undisputed statutory dues towards TDS, Provident Fund, Professional Tax and Goods and Service Tax for the year ended 31st March, 2020.
- i. In view of losses incurred by “the company” and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013.
- j. Madhucon infra Limited, which is a subsidiary to the Company, has defaulted in repayment of dues to Banks and financial institutions (excluding debentures) amounting to Rs. 17.18 Crores and Rs. 16.57 Crores respectively as per books of account. All the loans outstanding were classified as NPA by the Banks and Financial Institutions.
Interest on these loans has not been provided for the financial years 2018-19 & 2019-20. Borrowings from banks and financial institutions are subject to confirmation and reconciliation.
- k. Madhucon Infra Limited has submitted One Time Settlement proposal with IFCI and it was agreed to accept Rs.70 Cr towards full and final settlement. The company has paid Rs.7 Cr and it was adjusted towards outstanding amount. The company has requested time to extend date upto November, 2020 to pay the balance outstanding amount and accepted by IFCI with interest @13.75% p.a. payable for the extended period.
- l. Madhucon infra Limited, which is a subsidiary to the Company, has made a provision for impairment of investments of Rs. 743 Crores held in Simhapuri Energy Limited (SEL) a subsidiary, in case of which “The Hon’ble National Company Law Tribunal (NCLT) by an order dated 26-06-2020 admitted the Corporate insolvency resolution process (CIRP). In case of all other subsidiaries, the company has made provision of Rs. 58.66 Crores towards impairment at 5% on all investments in equity and other investments made, and in the absence of fair valuation of the same, we are unable to comment on the adequacy of the provision made.
- m. In case of Madhucon Infra Limited which is a subsidiary to the company, balances as at 31st March, 2020 in respect of some of these subsidiaries are subject to reconciliation
3. The independent auditors of certain subsidiaries qualified their audit report on the financial statements for the year ended 31st March, 2020 reproduced by us here under
- a) In case of “Barasat-Krishnagar Expressways Limited (‘BKEL’), which is a step-down subsidiary to the Company. “Due to termination of the project of the company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to 31-3-2020 at Rs. 5,79,42,14,742/- including the Cost and expenses incurred on and for the project [but excluding the interest not provided on the borrowings”. For the financial year covered under the audit report. Instead of writing-off to profit & loss have been accounted as NHAI Claims receivable under the head “Other Current Financial Assets “ which is in contravention of the provisions of Indian accounting standard 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets and understatement of loss for the year accordingly and Cumulative loss to that extent. Further, no interest has been provided for on the borrowings from institutions.
- b) In case of Madurai Tuticorin Expressways Limited (MTEL), which is a subsidiary to the Company, as mentioned in Paragraph 4(d) of this report the equity has been understated by Rs. 3980.12 Lacs and the profit has been understated by Rs. 3980.12 Lacs.
- c) In case of Trichy Thanjavur Expressways Limited (TTEL), which is a step- down subsidiary to the Company, as mentioned in Paragraph 4(f) of this report the equity has been understated by Rs.599.94 Lacs and the profit has been understated by Rs. 599.94 Lacs.
- d) In case of TN (DK) Expressways Limited (TNDK), which is a step- down subsidiary to the company, as mentioned in Paragraph 4(g) of this report the equity has been understated by Rs. 1822.76 Lacs and the profit has been understated by Rs. 1822.76 Lacs.
4. The independent auditors of certain subsidiaries mentioned Emphasis of matter paragraph in their audit report on the financial statements for the year ended 31st March, 2020 reproduced by us here under
- a) In case of “Rajauli-Bakhtiyarpur 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 37 (provisions, contingent Liabilities and contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of current Assets by Rs.8, 15, 39,853/- and understatement of cumulative loss by the same amount. The company is continuing to expect the realisation of the expenses incurred on the project recoverable within a period of 12 months. However, it is not materialized so far.

- b) i) In case of "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 terminations of the project vide its letter dated 3rd May, 2016 and the company had replied that the notice is not valid. Both company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.
- 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.
- iii) In view of the above going concern assumption is not appropriate and therefore financial statements have been drawn accordingly.

- c) In case of "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 65,01,631/- , has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs. 65,01,631/- and understatement of cumulative loss by the same amount. However, NHAI has terminated the contract. The Company is not confident of discharging its liabilities in the normal course of business from the available funds.

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

- d) In case of Madurai Tuticorin Expressways Limited (MTEL), which is a subsidiary to the Company, i) 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. Provision for Maintenance and unwinding has not been made as per provisions. The provisions should have been made at Rs.221.83 lacs instead of Rs.4201.95 lacs and its consequence effect on profit and loss accordingly, the equity has been understated by and the profit has been understated by the same amount of Rs .3980.12 lacs.

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

- e) In case of "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. No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.

- f) In case of Trichy Thanjavur Expressways Limited (TTEL), which is a step- down subsidiary to the Company, i) 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. Provision for Maintenance and related unwinding have not been made as per provisions. The provisions should have been made at Rs.651.94 lacs instead of Rs.1251.88 lacs. This has resulted in the loss being declared at Rs.75.22 lacs instead of profit at Rs.524.72 lacs. accordingly, the equity has been understated by Rs.599.94 lacs and the profit has been understated by Rs.599.94 lacs.

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

- g) In case of 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. Provision for Maintenance and related unwinding have not been made as per provisions. The provisions should have been made at Rs.1972.99 lacs instead of Rs.3795.75 lacs. This has resulted in the loss being declared at Rs.801.35 lacs instead of profit at Rs.1021.40 lacs. The equity has been understated by Rs.1822.76 lacs and the profit has been understated by Rs.1822.76 lacs.

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

- h) In case of "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 30/01/2020 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 18-04-2020. The Company has submitted the claim with NHAI. The proceedings of CCIE will commence soon. Cost incurred on the project up-to 31st March, 2020 Rs. 1295,09,49,755/- 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.1295, 09, 49,765/- and understatement of cumulative loss by the same amount. In view of the above, the termination of the Concession Agreement indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019. Under Prevention of Corruption Act and Indian Penal Code.

Gains on the redemption of units of Canara Robeco Mutual Fund during the year is not ascertained and recognized in the year.

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 affect 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.

5. **Management's Responsibility for the Consolidated Financial Statements**

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

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's Responsibility

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

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

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

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter Paragraph

We did not audit the financial statement and other financial information of one subsidiary and eight step down subsidiaries included in the statement; whose financial statements together comprise total assets before elimination Rs. 4,29,081.76 Lakhs as at March 31, 2020, Total Revenue of Rs. 22,540.32 Lakhs, Total Loss and total comprehensive income of Rs. 14,704.76 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 statements, 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.

8. Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matter described in the basis for Qualified opinion, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) Except for the possible effects of the matter described in the basis for Qualified opinion the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matter described in the basis for Qualified opinion, The aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the pending litigations which would impact its financial position in its notes to financial statements.
 - ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Holding Company has not complied with the provisions of section 124(5) of the Companies Act, 2013 regarding the remittance of unpaid dividend of FY 2008-09 amounting to Rs. 2,16,049/- and FY 2009-10 Rs. 2,45,028/- to Investor Education and Protection Fund (IEPF) within the stipulated period.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 20020085AAAAQX9208

Place: Hyderabad
Date: 14-09-2020

Annexure A to the Independent Auditor's Report

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

In conjunction with our Audit of the Consolidated financial statements of the company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of **Madhucon Projects Limited** ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion, except possible effects of the matter described in the basis for qualified opinion to the consolidated Independent Auditor's Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 20020085AAAAQX9208

Place: Hyderabad
Date: 14-09-2020

Madhucon Projects Limited
Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020		As at March 31, 2019	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	12,431.03		3,13,217.93	
Capital Work-in-Progress	2.1	15,090.00		15,106.39	
Intangible Assets	2.1	1,11,146.15		1,20,339.13	
(iv) Lease Receivable		-		-	
(v) Intangible Assets under Development		-		-	
Investment Properties		61.46		61.46	
Financial Assets					
Investments	2.2	97,080.63		53.58	
Trade Receivables	2.3	-		-	
Loans	2.4	5,909.75		5,298.36	
Others Financial Assets	2.5	81,203.65		92,174.86	
Deferred Tax Assets (Net)	2.36	3,180.54		4,764.21	
Other Non-Current Assets	2.6	12,415.86		22,947.01	
Total Non-Current Assets			3,38,519.06		5,73,962.93
Current Assets					
Inventories	2.7	2,935.20		6,288.37	
Financial Assets					
Investments	2.8	43.29		210.30	
Trade Receivables	2.9	11,701.02		3,666.80	
Cash and Cash Equivalents	2.10	8,090.85		3,344.58	
Bank Balances other than above	2.11	577.65		435.64	
Loans	2.12	140.91		168.33	
Others Financial Assets	2.13	94,134.87		1,50,362.78	
Current Tax Asset (Net)		22,199.35		14,528.15	
Other Current Assets	2.14	18,288.15		17,561.58	
Total Current Assets			1,58,111.30		1,96,566.53
Total Assets			4,96,630.36		7,70,529.46
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.15	740.32		740.32	
Other Equity	2.16	(2,43,839.86)		(2,12,984.35)	
Less : Profit / (Loss) from Associates		-		-	
Equity Attributable to Shareholders of the Company			(2,43,099.54)		(2,12,244.03)
Non-Controlling Interests			(6,666.02)		(4,648.58)
Total Equity			(2,49,765.55)		(2,16,892.61)
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.17	1,77,603.90		3,12,341.35	
Trade Payables	2.18	11,635.10		8,256.36	
Other Financial Liabilities	2.19	6,533.31		759.76	
Provisions	2.20	17,991.45		12,281.87	
Deferred Tax Liabilities (Net)		-		5.03	
Other Non-Current Liabilities	2.21	4,798.76		7,459.52	
Total Non-Current Liabilities			2,18,562.52		3,41,103.89
Current Liabilities					
Financial Liabilities					
Borrowings	2.22	2,19,251.41		2,63,408.56	
Trade Payables	2.23	47,613.78		65,705.91	
Other Financial Liabilities	2.24	64,359.68		2,11,250.01	
(iv) Employee Benefit Obligations		-		-	
Other Current Liabilities	2.25	64,179.17		70,502.51	
Provisions	2.26	1,11,029.25		21,734.48	
Current Tax Liabilities (Net)		21,400.11		13,716.72	
Total Current Liabilities			5,27,833.39		6,46,318.19
Total Equity and Liabilities			4,96,630.36		7,70,529.47

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

For and on behalf of the Board

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

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : September 14, 2020

K. Venkateswarlu
Chief Financial Officer

Madhucon Projects Limited

Consolidated Statement of Profit and Loss for the Year ended March 31, 2020 (₹ in Lakhs)

	Note No.	Year ended "March 31, 2020		Year ended March 31, 2019	
Revenue					
Revenue from Operations	2.27	73,413.09		94,244.01	
Other Income	2.28	4,604.02		4,074.00	
Total Revenue			78,017.11		98,318.01
Expenses					
Cost of Materials and Work Expenses	2.29	60,650.21		71,345.13	
Changes in inventory and work-in-progress		1,496.42		3,489.78	
Employee Benefits Expense	2.30	3,530.72		4,519.33	
Finance Costs	2.31	15,028.49		27,904.87	
Depreciation and amortization expense	2.1	7,157.74		22,420.08	
Other Expenses	2.32	3,047.03		9,153.31	
Total Expenses			90,910.61		1,38,832.50
Profit before Exceptional and Extraordinary Items and Tax			(12,893.51)		(40,514.49)
Exceptional Items			97,027.06		-
Share of (Loss) from Associate Company			-		-
Profit Before Tax			(1,09,920.57)		(40,514.49)
Tax Expense					
(i) Deffered Tax		1,583.67		(2,462.40)	
			1,583.67		(2,462.40)
(Loss) / Profit for the Year			(1,11,504.24)		(38,052.09)
Attributable to					
Shareholders of the Company			1,06,582.94)		(34,389.05)
Non-Controlling Interests			4,921.29)		(3,663.03)
Other Comprehensive Income					
(a) Re-Classification of Employee Defined Benefit Obligation			204.37		13.71
(b) Exchange differences on translation			-		94.18
Other Comprehensive Income for the Year			204.37		107.89
Total Comprehensive (Loss) / income for the year			(1,11,299.87)		(37,944.20)
Attributable to					
Shareholders of the Company			(1,06,378.57)		(34,294.22)
Non-Controlling Interests			(4,921.29)		(3,650.00)
Shareholders of the Company			204.37		94.84
Non-Controlling Interests			-		13.05
Total Comprehensive Income			(1,06,378.57)		(34,294.21)
Earnings per share of Face Value of Rs 1 each					
Basic and Diluted			(144.43)		(46.60)

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : September 14, 2020

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

	Number of Shares	Amount
Balance as at April 01, 2019	7,37,94,940	740.32
Add : Issue of Share Capital	-	-
As at March 31, 2020	73,794,940	740.32

b) Other Equity

(₹ in Lakhs)

	Reserves and Surplus				Other Items of other comprehensive Income	Equity attributable to the Shareholders of the company	Non Controlling interests
	Securities Premium	General Reserve	Retained Earnings	Reserves on Consolidation			
Opening Balance as at April 01, 2019	29,313.07	5,061.53	(2,61,986.84)	14,916.16	(288.28)	(2,12,984.36)	(806.13)
(Loss) / Profit for the year			(1,06,582.94)			(1,06,582.94)	(4,921.29)
Dividend (Inclusive of Tax on Dividend)			-			-	-
Transfer to Reserves						-	-
Adjustments on account of Consolidation			77,610.70	(2,888.17)	545.30	75,267.83	-
Other comprehensive income / (loss) for the year, net of tax			255.23		204.37	459.60	-
Closing Balance as at March 31, 2020	29,313.07	5,061.53	(2,90,703.85)	12,027.99	461.39	(2,43,839.87)	(5,727.42)

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

For and on behalf of the Board

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

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : September 14, 2020

K. Venkateswarlu
Chief Financial Officer

Madhucon Projects Limited
Consolidated Cash Flow Statement for the Year ended March 31, 2020

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
A Cash flow from operating activities		
(Loss) / Profit before tax	(1,09,920.57)	(40,514.49)
Adjustments for:		
Depreciation and amortisation expense	7,157.74	22,420.08
Dividend Income	(0.86)	(32.70)
Interest Income	(47.16)	(144.05)
Impairment	97,027.06	(113.06)
Finance costs	15,028.49	27,904.87
	1,19,165.27	50,035.14
Operating Profit Before Working Capital Changes	9,244.70	9,520.65
Change in Working Capital		
(Increase)/decrease in Trade Receivables	(8,034.22)	(551.42)
(Increase)/decrease in Inventories	3,353.16	3,714.17
(Increase)/decrease in Other Financial Assets	67,202.61	4,254.50
(Increase)/decrease in Other Current and Non-Current Assets	2,133.36	(8,455.03)
Increase/(decrease) in Loans	(44,157.16)	(4.30)
Increase/(decrease) in Trade Payables	(18,092.12)	8,747.02
Increase/(decrease) in Other Financial Liabilities	(61,315.03)	(1,280.33)
Increase/(decrease) in Other Current and Non-Current Liabilities	(9,033.02)	6,413.22
Cash generated from operations	(58,697.72)	22,358.48
Income taxes paid	-	3,353.45
Net cash from operating activities	(58,697.72)	19,005.03
B Cash flows from investing activities		
Purchase of Property, Plant and Equipment including CWIP	2,93,645.55	(797.55)
Proceeds from Sale of Property, Plant and Equipment	-	(17.10)
Decrease in investments	167.01	-
Due to Derecognition of Simhapuri	(9,407.19)	-
(Increase) / decrease in other bank balances	(145.49)	967.83
Dividend Received	0.86	32.70
Interest Received	47.16	144.05
Net cash used in investing activities	2,84,307.90	329.93
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	(2,05,835.44)	(1,02,542.34)
Interest paid	-	1,10,058.18
	(15,028.49)	(27,904.87)
Net cash used in financing activities	(2,20,863.93)	(20,389.03)
Net increase/(decrease) in cash and cash equivalents	4,746.25	(1,054.07)
Cash and cash equivalents at the beginning of the financial year	3,344.58	4,398.65
Cash and cash equivalents at end of the year	8,090.83	3,344.58
Reconciliation of cash and cash equivalents as per with the Balance Sheet		
	8,090.85	3,344.58
Cash and cash equivalents at end of the year	8,090.85	3,344.58

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 : 007257S

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : September 14, 2020

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

Significant accounting policies:

1.1 Statement of compliance

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

1.2 Basis of preparation

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

Measurement of fair values:

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

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

1.3 Presentation of financial statements

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

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

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 2020.

Subsidiaries:

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

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

Associates:

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

Consolidation procedure:

- (a) The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.
- (b) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial parent to consolidate the financial information of the subsidiary.

- (c) The consolidated financial statements of the Group combines the financial statements of Parent Company and its subsidiaries on line by line basis by adding together the like items of assets, liabilities, equity, income and expenses.
- (d) Unrealised profits/losses on intra-group transactions, Intra-group assets, liabilities, income and expenses are eliminated in consolidation. Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated in consolidation.
- (e) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non controlling interests having a deficit balance.
- (f) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned directly or indirectly by Parent Company.

1.4 Cash flow statement:

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

- i. Changes during the period in inventories and operating receivables and payables and transactions of a non-cash nature;
 - ii. Non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
 - iii. All other items for which the cash effects are investing or financing cash flows.
- The cash flows from operating, investing and financing activities of the Group is segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

1.5 Use of Accounting Estimates:

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

1.6 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

1.8 Intangible Assets

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

1.9 Rights under Service Concession Arrangements

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

1.10 Toll Projects (Right to charge users):

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

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

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

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

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

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

1.11 Depreciation/ Amortisation

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

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

1.12 Impairment of Assets:

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

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

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

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

1.13 Financial instruments:

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

a. Financial Assets

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

Subsequent Measurement

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

Financial Assets at Amortised Cost

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

Financial Assets Measured at Fair Value

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

Impairment of Financial Assets

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

De-recognition of Financial Assets

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

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

b. Equity Instruments and Financial Liabilities

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

Equity Instruments

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

Financial Liabilities

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

Subsequent Measurement

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

De-recognition of Financial Liabilities

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

c. Offsetting Financial Instruments

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

1.14 Investment property:

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

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

1.15 Inventories:

Raw Materials:

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

Work in Progress:

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

1.16 Cash and cash equivalents

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

1.17 Segment Reporting:

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

1.18 Provisions, Contingent Liabilities and Contingent Assets:

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

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

1.19 Interest in Joint Operations

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

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

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

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

1.20 Revenue Recognition

Revenue from Sale of goods:

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

Revenue from Rendering of services:

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

Revenue from Toll & Annuity projects:

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

Revenue from construction contracts:

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

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

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

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

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

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

1.21 Other income:

- a) **Interest Income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c) **Income:** Lease agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operation leases. Lease rentals are recognized on straight – line basis as per the terms of the agreements in the statements of profit and loss.

1.22 Insurance claims

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

1.23 Claims

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

1.24 Commitments

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

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

1.25 Foreign exchange translation and foreign currency transactions:

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

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

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

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

1.26 Employee Benefits:

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

1.27 Borrowing Costs:

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

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

1.28 Taxation

Taxation

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

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

Deferred tax:

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

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

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

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

Minimum Alternate Tax (MAT):

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

1.29 Leases:

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

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

1.30 Fair value measurement

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

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

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

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

1.31 Earnings per Share:

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

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

Particulars	Land	Buildings	Plant & Machinery"	Tippers & Trucks"	Vehicles	Centering Materials"	Temporary Structures	Furniture & Fixtures"	Office Equipment	Computers	Total	Soft ware	Carriage Way	Total	Capital Work-In Progress"
Cost															
As at 31.03.2019	6,659.71	61.77	28,681.29	12,763.71	2,358.60	2,216.41	3,437.85	1,394.39	65.63	501.18	58,140.55	6.51	1,77,913.88	1,77,920.39	15,165.51
Additions	-	0.50	242.54	-	27.84	0.39	-	18.34	10.67	15.70	315.98	2.37	101.34	103.70	48.19
Disposals / Adjustments	-	-	2,398.62	290.84	164.41	-	-	-	-	13.15	2,867.02	-	11,605.36	11,605.36	123.70
As at 31.03.2020	6,659.71	62.28	26,525.21	12,472.87	2,222.03	2,216.80	3,437.85	1,412.73	76.30	503.73	55,589.52	8.87	1,66,409.86	1,66,418.73	15,090.00
Depreciation															
As at 31.03.2019	-	26.25	27,938.32	10,451.81	1,793.63	2,029.00	3,271.17	1,134.66	20.50	451.65	47,116.98	6.22	43,878.88	43,885.09	-
Depreciation	-	11.43	226.15	277.60	116.82	79.98	73.68	200.74	10.89	34.36	1,031.66	0.06	6,126.02	6,126.08	-
Disposals	-	-	4,905.96	-	71.04	-	-	-	-	13.15	4,990.15	-	(5,261.41)	(5,261.41)	-
As at 31.03.2020	-	37.69	23,258.51	10,729.41	1,839.41	2,108.98	3,344.85	1,335.41	31.38	472.86	43,158.49	6.28	55,266.31	55,272.58	-
NetBlock															
As at 31 March 2019	6,659.71	61.77	28,681.29	12,763.71	2,358.60	2,216.41	3,437.85	1,394.39	65.63	501.18	58,140.55	6.51	1,77,913.88	1,77,920.39	-
As at 31 March 2020	6,659.71	24.59	3,266.70	1,743.47	382.62	107.83	93.01	77.32	44.92	30.87	12,431.03	2.60	1,11,143.55	1,11,146.15	15,090.00

2.2 Investments

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
1) Investment in Equity Instruments		
(i) Subsidiaries:		
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Simhapuri Energy Limited	97,027	-
Madhucon Natural Resources Limited (Singapore)	0.21	0.21
Shares of ₹ 1/-each		
(ii) Associates:		
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Madhucon Agra Jaipur Expressways Limited	3.12	3.12
(iii) Others:		
In Shares of ₹ 10 each, fully paid up (otherwise specified)		
Rajanagaram Gas Power Private Limited	48.81	48.81
Canara Bank Limited	1.44	1.44
Total	97,080.63	53.58

2.3 Trade Receivables

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Un Secured, Considered good				
From Others	-	3,041.57		3,666.80
Total	-	3,041.57	-	3,666.80

2.4 Loans

₹ in Lakhs

As at March 31, 2020	As at March 31, 2019			
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Security Deposits	249.94	140.91	596.20	168.33
Others	5,659.81	-	4,702.16	9.00
Total	5,909.75	140.91	5,298.36	177.33

2.5 Other Financial Assets

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
Non-Current	Current	Non-Current	Current	
Unsecured, considered good				
Bank Deposits with maturity more than 12 months	554.84	-	551.35	-
Earnest Money Deposits	188.22	-	188.22	-
Retention Money Deposit	2,590.50	-	2,907.41	-
Receivable under service concession arrangements	75,982.00	-	82,469.36	-
Advances Recoverable	1,888.10	-	6,058.52	-
Receivable From Others	-	(32,401.04)	-	18,482.92
Receivable From NHAI	-	4,365.75	-	4,434.91
Claims Receivable from NHAI	-	1,17,627.11	-	1,23,902.72
Retention Money Deposit	-	3,258.21	-	3,542.23
Total	81,203.65	92,850.03	92,174.86	1,50,362.78

2.6 Other Non-Current Assets

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Capital Advances	10.36	-	5,698.85	-
Advance to suppliers and sub-contractors	5,903.46	19,757.88	28.28	17,471.64
Others	6,502.04	-	17,219.88	-
Prepaid Expenses	-	19.45	-	30.90
Prepaid Insurance	-	21.95	-	59.04
Interest Accrued on Deposits	-	7.59	-	-
Statutory Dues Receivable	-	575.27	-	-
Total	12,415.86	20,382.14	22,947.01	17,561.58

2.7 Inventories

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Raw Materials	2,356.40	3,860.92
Stores and Spares	-	1,392.56
Coal Stock	-	456.08
Work-in-Progress	578.81	578.81
Total	2,935.20	6,288.37

2.8 Investments

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
In Gold Bonds	-	5.20
In Immovable Properties	20.10	20.10
In Mutual Funds	23.19	185.00
Total	43.29	210.30

2.9 Trade Receivables

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Un Secured, Considered good		
- From Related Parties	8,659.45	-
From Others	3,041.57	3,666.80
Total	11,701.02	3,666.80

2.10 Cash and Cash Equivalents

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Cash on hand	33.67	111.13
Balances with Banks		
In Current Accounts	7,495.48	2,747.19
In Deposit Accounts with Maturity less than 3 months	537.75	462.32
Unpaid Dividend Accounts	23.94	23.94
Total	8,090.85	3,344.58

2.11 Bank Balance other than above

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Margin money and other deposits with banks	577.65	435.64
Total	577.65	435.64

2.12 Loans

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good Security Deposit	140.91	168.33
Total	140.91	168.33

2.13 Other Financial Assets

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Receivable From Others	(32,401.04)	18,482.92
Receivable From NHAI	4,365.75	4,434.91
Other receivables from related parties	1,284.83	-
Claims Receivable from NHAI	1,17,627.11	1,23,902.72
Retention Money Deposit	3,258.21	3,542.23
Total	94,134.87	1,50,362.78

2.14 Other Current Assets

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	19.45	30.90
Prepaid Insurance	21.95	59.04
Interest Accrued on Deposits	7.59	-
Advance to suppliers, sub-contractors and others	19,757.88	17,471.64
Statutory Dues Receivable	575.27	-
Advances to related parties	(2,093.99)	-
Total	18,288.15	17,561.58

2.15 Equity Share Capital

₹ in Lakhs

	Number of Shares	As at March 31, 2020	Number of Shares	As at March 31, 2019
Authorised				
Equity Shares of ₹ 1 each	30,00,00,000	3,000.00	30,00,00,000	3,000.00
Redeemable Preference Shares of ₹ 100 each	20,00,000	2,000.00	20,00,000	2,000.00
Total		5,000.00		5,000.00
Issued, Subscribed and Called up Capital				
Equity Shares of ₹ 1 each	7,42,68,940	742.69	7,42,68,940	742.69
Fully paid up Capital				
Equity Shares of ₹ 1 each	7,37,94,940	737.95	7,37,94,940	737.95
Add : Forfeited Shares Amount originally paid up		2.37		2.37
Total		740.32		740.32

b) Reconciliation of the Number of Equity Shares Outstanding at beginning and at end of the year ₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	7,37,94,940	737.95	7,37,94,940	737.95
Add: Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	7,37,94,940	737.95	7,37,94,940	737.95

Madhucon Projects Limited

Notes forming part of the consolidated financial statements

a) First pari-passu hypothecation charge to all working capital banks in Multiple Banking Arrangement on all existing and future current assets

b) Second pari-passu on all the fixed assets of the Company both present and future. These facilities carry an interest rate of 10% to 14% per annum. Company has defaulted in repayment of dues to the banks as at 31st March 2020 and all the outstanding loans were classified as NPA by the banks. The company has not provided the interest amounting to Rs. 90.02 Cr (excluding penal interest if any) for the year ended 31st March 2020 on its loans.

b) Terms/ Rights attached to Shares:

The Company has only one class of paid-up equity shares having par value of ₹ 1 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

	As at March 31, 2020		As at March 31, 2019	
	No of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
1) Sri Nama Nageswara Rao	1,07,32,262	14.54	1,07,32,262	14.54
2) M/s Madhucon Granites Limited	80,44,000	10.90	80,44,000	10.90
3) Smt. Nama Chinamma	61,58,000	8.34	61,58,000	8.34
4) Sri Nama Seethaiah	60,01,800	8.13	60,01,800	8.13

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

(1) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in Cash - **Nil**

(2) Aggregate number and class of shares allotted as fully paid up by way of Bonus shares - **Nil**

(3) Aggregate number and class of Shares bought back - **Nil**

Notes forming part of the financial statements

2.16 Other Equity

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
(a) Securities Premium		29,313.07		29,313.07
(b) General Reserve				
Opening Balance	5,061.53		5,061.53	
Closing Balance		5,061.53		5,061.53
(c) Surplus in Statement of Profit and Loss				
Opening Balance	(1,84,376.14)		(2,27,597.79)	
Add: Profit for the Year	(1,06,582.94)		(34,389.05)	
Add: Capital Grant Defferment	255.23			
Less: Adjustment on consolidation	77,610.70			
Closing Balance		(2,90,703.85)		(2,61,986.84)
Other Components of Equity				
Remeasurements of the defined benefit plans and others	225.80		(220.31)	
Exchange differences in translating the financial statements of foreign operations	235.59		(67.97)	
		461.39		(288.28)
(d) Reserves on Consolidation		12,027.99		14,916.16
Equity Component of Unsecured Loan		-		-
Total		(2,43,839.86)		(2,12,984.36)

2.17 Borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Secured:		
Term Loans		
From Banks	1,41,419.09	2,70,342.94
From Financial Institutions		
From Others	30,508.91	33,429.71
Unsecured:		
From Banks	-	7,435.33
Loans from related parties	4,933.13	-
From Financial Institutions	742.77	1,133.37
Total	1,77,603.90	3,12,341.35

Term Loans from Financial Institutions:

- (i) SREI Equipment Finance Limited : Secured by hypothecation of various equipments financed through the loan arrangements.
- (ii) Mahindra & Mahindra Financial Services Limited : Secured by hypothecation various movable assets financed through the loan arrangements.

Name of the Bank / Financial Institution	No.of Instalments Outstanding	Rate of Interest	Outstanding (₹in Lakhs)	Repayment Terms/Period of Maturity
SREI Equipment Finance Limited	44	10.00%	4,294.90	" Monthly " May 22 "
Mahindra & Mahindra Financial Services Limited	24	11.26%	1,354.82	"Monthly" June 20"

Madhucon Infra Limited**Security on Term Loans****Term Loans from Banks****i) Term Loan of ICICI Bank is secured by**

Subservient charge on current assets (Stock in Trade) and Moveable fixed assets of promoter.

ii) Term Loan of IFCI Non Convertible Debentures is secured by

Equity Shares of Simhapuri Energy Limited and Madhucon Infra Limited so as to provide minimum security cover of 2.5 times of outstanding Non Convertible Debentures at all the time during the tenure of facility.

Pledge of ₹ 20.254 Crores of Fully Paid up equity Shares of Simhapuri Energy Limited aggregating to ₹ 202.54 Crores

Pledge of 38.87 Crores of Fully Paid up equity Shares of Madhucon Infra Limited aggregating to ₹ 347.50 Crores.

Mortgage by way of exclusive charge on Vasanth Vihar at Delhi.

Personal Guarantee of Nama Seethaiah.

Post Dated cheques of Interest and Principal Repayments

Chhapra - Hajipur Expressways Limited

	Effective interest rate	Terms of repayment
Term loans from banks	10.40%	The loan is repayable in 17 semiannual unequal installments starting from March, 2019
NHAI Loan	RBI Rate + 2%	The loan is repayable at the time of receipt of semi annuities after PCOD

Terms of Repayment of Secured Term Loans

Additional Term Loan - II consists of loans borrowed from a consortium of six banks with interest rate of 13.00% as on **March 31, 2020**.

The applicable interest rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. All the loans are repayable in 17 semi annual unequal installments starting from March, 2019.

Since Term Loan and Additional Term Loan - I accounts, both have become NPA, interest was not provided.

Terms of Security of Secured Term Loans

First mortgage/charge over the Company's immovable properties (other than project assets), both present and future.

First mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract.

First charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or/any of its contractors favoring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project. Madhucon Toll Highways Limited shares are pledged with the lenders.

Pledge of 74% of shares of the paid up equity capital of the company held by the Promoters..

Charge on the uncalled capital of the borrower, provided that such charge, shall be limited for ensuring that the Borrower calls the balance uncalled capital and makes the shares fully paid up.

Corporate guarantee of Madhucon Toll Highways Limited

Due to various reasons the company could not achieve PCOD and the project is still under construction. Term loan Accounts has become NPA and the bankers has not charged Interest on term loan I & II and only some bankers have charged interest on term loan III. On achievement of PCOD, repayment schedule will be revised.No interest has been provided on term loan during the Year.

Ranchi Expressways Limited**Terms of Security of Secured Term Loans**

First mortgage/charge over the Company's immovable properties (other than project assets), both present and future.

First mortgage/charge over the Company's movable assets including moveable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract.

First charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contracts insurance policies obtained/procured by the Company, and/or/any of its contractors favoring the Company and all licenses, permits, approvals and consents in respect of the Project, present and future, in respect of the Project.

Pledge if 51% of shares of the paid up equity capital of the company held by the Promotes.

The company has not provided Interest on term loan during this F.Y 2019-20

Madhucon Projects Limited

Notes forming part of the consolidated financial statements

a) First pari-passu hypothecation charge to all working capital banks in Multiple Banking Arrangement on all existing and future current assets

b) Second pari-passu on all the fixed assets of the Company both present and future. These facilities carry an interest rate of 10% to 14% per annum.

Company has defaulted in repayment of dues to the banks as at 31st March 2020 and all the outstanding loans were classified as NPA by the banks. The company has not provided the interest amounting to Rs. 90.02 Cr (excluding penal interest if any) for the year ended 31st March 2020 on its loans.

Trichy-Thanjavur Expressways Limited

Terms of Repayment - Secured Loans

"Indian Rupee Term Loans consists of Loans borrowed from a consortium of 5 banks and one financial institution. The entire outstanding debt of Rs.232.29 crores re-structured as on 1st December 2012, will be paid in 51 unequal quarterly instalments. Instalment ranging from Rs.6.00 lakhs to Rs.10.60 crore are to be paid starting from month of June 2013 till March 2026. The interest obligations for 4 months from the cut off date from Dec-12 to Mar-2013 is funded through funded interest term loan (FITL). It will be repaid in 16 unequal Quarterly instalments ranging from Rs.25 lacs to Rs.1.14 crores starting from June'2014 till March 2018.

Terms of Security

First mortgage and charge on all the Borrower's movable and immovable properties, both present and future. Excluding the project assets (as defined in the Concession Agreement)

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower

First charge/assignment of all receivable/revenues of the Borrower from the project.

Pledge of 51% of share of the paid up equity capital of the borrower, for a period up to 36 months from COD. Thereafter, until the currency of the loan, the pledged shares shall aggregate 26% of the paid -up equity capital

First charge on all bank accounts including without limitation, the Escrow Account and the Debt Service Reserve Account to be established by the Borrower and each of the other accounts required to be created by the Borrower under any project document or contract.

Assignment in favour of Lenders of all Insurance Policies.

Assignment of contract or guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter-party under any Project Agreement or contract in favour of the Borrower.

Personal guarantee given by Sri Nama Krishnaiah and Sri Nama Seethaiah.

TN (DK) Expressways Limited

Terms of Repayment

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 7 bank. During the Financial Year 2012-2013 the company went for Restructuring of Term Loans for Rs.180.45 Cr by extending door to door tenor of loan from the existing remaining 6.25 years to 10 years by changing the repayment structure, with cutoff date as 31.12.2012. During the year Rs.5.00 crores of current year repayment of the loan amount was repaid.

Terms of Security

- i) First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement).
- ii) First charge on all intangible assets of the borrower including but not limited to the goodwill, rights, undertaking and uncalled capital of the borrower.
- iii) First charge or assignment of all the receivables / revenues of the borrower from the project.
- iv) Pledge of shares aggregating 51% of the paid up equity capital of the borrower, until the currency of the loan.
- v) First charge on borrowers all bank accounts including, without limitation, the escrow account and Debt Service Reserve Account to be established by the borrower and each of the other accounts required to be created by the Borrower under any project document or contract.
- vi) Assignment in favour of Lenders of all insurance policies.
- vii) Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower.
- viii) Apart from the above, the following personal and company guarantees have been stipulated in view of the proposed restructuring package:
 - a) Personal guarantee of Mr. Nama Seethaiah, Mr. M Madhu and Mr. K Srinivasa Rao.
 - b) Corporate Guarantee of Madhucon Infra Ltd and Madhucon Toll Highways Limited to cover the entire debt outstanding.

Madurai-Tuticorin Expressways Limited

Terms of Repayment - Secured Loans

Indian Rupee Term Loans consists of Loans borrowed from a consortium of 5 banks and one financial institution. The entire outstanding debt of ' 559.13 crores re-structured as on 1st December 2012, will be paid in 52 unequal quarterly installments with bullet payment of Rs 100 crores to be paid on 31.03.2026. Installment ranging from Rs 11.50 lakhs to ' 114.58 crore are to be paid starting from month of June 2013 till March 2026. The interest obligations for 4 months from the cut off date from Dec-12 to Mar-2013 is funded through funded interest term loan (FITL). It will be repaid in 16 unequal Quarterly installments ranging from Rs 27 lacs to ' 2.40 crores starting from June'2014 till March 2018. Interest has been provided till the date of NPA end to the extent paid after the loans became NPA

Terms of Security

First mortgage and charge on all the Borrower's movable and immovable properties, both present and future. Excluding the project assets (as defined in the Concession Agreement)

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower

First charge/assignment of all receivable/revenues of the Borrower from the project.

Pledge of 51% of share of the paid up equity capital of the borrower, for a period up to 36 months from COD. Thereafter, until the currency of the loan, the pledged shares shall aggregate 26% of the paid -up equity capital

First charge on all bank accounts including without limitation, the Escrow Account and the Debt Service Reserve Account to be established by the Borrower and each of the other accounts required to be created by the Borrower under any project document or contract.

Assignment in favour of Lenders of all Insurance Policies.

Assignment of contract or guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter-party under any Project Agreement or contract in favour of the Borrower.

Personal guarantee given by Sri Nama Krishnaiah and Sri Nama Seethaiah.

(viii) Barasat-Krishnagar Expressways Limited

Terms of Security of Secured Term Loans

First mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.

First mortgage/charge over the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.

First charge or assignment of all the receivables/revenues of the borrower from the project.

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract

First charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contractors All Risk Insurance policies obtained/procured by the Company, and/or/any of its contractors favouring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.

Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters.

Coporate gurantee of Madhucon Toll highways limited

Interest is not accounted on accrual method, because the accounts became NPA with all the banks and also the project has been terminated. Management has not quantified the interest liability which has not been provided for, hence receivables has been understated as well in interest on term loan payable is under stated.

(ix) Vijayawada – Machilipatnam Expressways Limited:

Vijayawada-Machilipatnam Expressways Limited was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle 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 during the concession period of 20 years and to continue for such other extension period as may be attended.

Madhucon Infra Limited

Notes forming part of the consolidated financial statements

(x) Rajauli - Bakhtiyarpur Expressways Limited:

Rajauli - Bakhtiyarpur Expressways Limited (RBEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 7th Day of May 2012 as a Special Purpose Vehicle for undertaking the work of Four Laning of Rajauli-Bakhtiyarpur Section of NH-31 from KM 47.723 to KM 154.500 on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Simhapuri Energy Limited

The Company is funded by Consortium of Banks in Two Phases.

The Phase – I comprises the commissioning of 2*150MW sets each, resulting in 300 MW Power Generation Capacity, while The Phase – II comprises the commissioning of 2*150MW sets each, resulting in 300 MW Power Generation Capacity. Thus SEL has installed capacity of 4 * 150 MWs = 600 MWs. The commissioning of each of these Four units was done on different dates, the last unit being on 31.03.2015.

a) The Phase – I lenders are: Allahabad Bank, Andhra Bank, Canara Bank, Central Bank of India, Corporation Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, State Bank of India, Tamilnad Mercantile Bank, UCO Bank, United Bank of India, Vijaya Bank, and Life Insurance Corporation of India. The TL sanctioned amount was Rs.1,122.40 Crs.

The security offered was:

First mortgage and charge in favour of the lenders over the all the immovable properties and assets; First Charge by the way of hypothecation in favour of the lenders of all the movable (including the movable plant, machinery, machinery spares, tools and accessories);

First Charge of the security interest in favour of the lenders of

(i) all the right, title, interest, benefits, claims and the demand whatsoever of the borrower in the Project Documents, letter of credit by the PTC or any off taker, guarantee or performance bond that may be provided by any of the party to any Project Documents in favour of the Borrower all as amended, varied or supplemented from time to time;

(ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in or under the Authorizations; First charge on intangibles (including but not limited to Goodwill, etc.).

First charge of security interest in favour of the lender

(i) on the Trust & Retention Account and Debt Service Reserve Account, to be established by the borrower for the revenues generated from the Project, in consultation with the lenders,

(ii) Pledge of Promoters shareholding in the Project, aggregating to 51% of the equity share capital in the company, in favour of the lenders.

b) The Phase – II lenders are: Allahabad Bank, Andhra Bank, Canara Bank, Oriental Bank of Commerce, Punjab & Sind Bank, State Bank of India, Tamilnad Mercantile Bank, Vijaya Bank, Bank of India, Union Bank of India and Punjab National Bank. The TL sanctioned amount was Rs.1,204.41 Crs.

The security offered was:

Charges / Mortgages (on pari passu basis)

a) A mortgage and first charge over all the project assets (pertaining to Phase II) (including phase II land of 27.50 acres) and additional land of 51.60 acres to be acquired by the borrower, on pari passu basis.

• A mortgage and first charge over all the assets (including land) common to both Phase I & II, both present and future. The land where common facilities, for Phase I & II, would come up would be 425 acres. The title for the entire land required for both the phases should be transferred, by APIIC, in the name of Simhapuri Energy Pvt. LTD (SEPL).

• A first charge on all intangible assets of Phase II of the Borrower including but limited to the goodwill, undertaking and uncalled capital of the Borrower for Phase II;

• A first charge/assignment of all the receivables/revenues of the Borrower from the project, i.e. Phase II;

• A first charge on Borrower's all bank accounts (relating to Phase II) including, without information, the Trust & Retention Account and Debt service Reserve Account to be established by the Borrower and each of the other accounts required to be created by the Borrower under any project Document of Contact.

• A first charge / assignment of insurance policies in respect of phase II.

• A First pari passu charge/assignment/security interest in favor of Lenders on the borrower's rights under the project documents, contracts (including guarantees) and all license, permits, approvals, consents and insurances policies obtained by the borrower in respect of the project i.e Phase II.

• Assignment to contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter-party under any Project Agreement or contract in favor of the Borrower for Phase II.

• Pledge of 51% of paid up equity shares of SEPL (on pari-passu basis with all lenders of SEPL).

c) The Phase – II Additional Term lenders are: Allahabad Bank, Canara Bank, State Bank of India, Tamilnad Mercantile Bank, Vijaya Bank, Bank of India, Union Bank of India, Punjab National Bank and ICICI Bank. The TL sanctioned amount was Rs.148.00 Crs.

The security offered was:

- A first mortgage charge over 80.66 acres of exclusive land on pari passu basis with phase II lenders and first mortgage charge over 425 acres of common land (including movable assets set up on this land) on pari passu basis with Phase I and Phase II lenders .
- Charge over movable assets, assignment of all the receivables/ revenues, all bank accounts (relating to Phase II) including, without limitation, the Trust & Retention Account and the Debt Service Reserve Account to be established by the Borrower and each of the other accounts required to be created by the Borrower under any Project Document or Contract.
- A first charge / assignment of insurance policies in respect of Phase II. • A first pari passu charge/ assignment / security interest in favour of lenders on the borrower's rights under the project documents, contracts (including guarantees) and all licenses, permits, approvals, consents and insurances policies obtained by the borrower in respect of the project i.e. Phase II.
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter-party under any Project Agreement or contract in favour of the Borrower in respect of the project i.e. Phase II.
- Pledge of 51% of paid up equity shares of SEL on pari passu basis with Phase I and Phase II lenders. Security shall rank pari passu 1st charge for senior RTL, Working capital limits.

Madhucon Heights Private Limited

The loan Secured by the Exclusive charge on all the rights (including development rights), interest and title of the free sale area of the project including the structures of free sale area constructed/proposed to be constructed thereon, First charge on all the receivables in connection with the commercial building at Kukatpally, Hyderabad and charge on the Designated Account opened with Axis bank in connection with the aforesaid project. The loan was sanctioned '110 crores on 16.02.2015 with rate of Interest of 11.35% p.a. payable at monthly intervals. The loan shall be repayable in 50 quarterly instalments commencing from 31st October, 2017 the first date of disbursement. The Corporate guarantee given by Madhucon Projects Ltd and Madhucon Land Developers Ltd and Collateral securities to the extent of value of ' 84.16 crores given by Madhucon Land Developers Ltd. Pledge of shares of MHPL to the extent of 30% subject to compliance with B.R. Act. Personal guarantee given by Shri Nama Krishnaiah.

2.18 Trade Payables

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
For supply and Services	1,618.11	35,866.11	2,112.47	54,824.89
Retention Money Deposits	5,343.95	7,066.20	5,168.24	6,869.64
Others	4,673.04	4,534.59	975.62	4,011.35
Total	11,635.10	47,466.89	8,256.33	65,705.88

2.19 Other Financial Liabilities

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long				
Term Borrowings	-	45,624.52	-	1,31,199.81
Interest Accrued and due on				
Borrowings	-	7,682.17	-	59,314.48
Other Payables	6,533.31	10,995.01	759.75	20,712.01
Unpaid Dividends	-	23.71	-	23.71
Total	6,533.31	64,325.41	759.75	2,11,250.01

2.20 Provisions

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	165.12	210.74
Compensated absences	71.10	84.41
Provision for Major Maintenance and Repairs	17,755.23	11,986.72
Total	17,991.45	12,281.87

2.21 Other Non-Current Liabilities

₹ in Lakhs

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	4,790.04	2,508.28	7,450.80	2,709.68
Material Advance	8.72	8.76	8.72	1,930.36
Machinery Advance	-	316.26	-	316.26
Statutory Dues Payable	-	3,051.39	-	4,854.96
Other Liabilities	-	58,015.30	-	60,536.32
Revenue Received in Advances	-	279.17	-	154.93
Total	4,798.76	64,179.17	7,459.52	70,502.51

2.22 Borrowings

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Secured:		
Loans repayable on demand		
From Banks	2,03,472.59	2,38,615.09
From Others	17,915.20	24,793.47
Unsecured:		
Loans from related parties	(2,136.38)	-
Total	2,19,251.41	2,63,408.56

Cash Credit facilities availed from banks are secured by:

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

These facilities carry an interest rate of 10% to 14% per annum

Details of delay in repayment of principal and interest to Banks and Financial Institutions as on March 31, 2020

Name of the Bank / Financial Institution	Principal (₹ in Lakhs)	Period of delay	Interest (₹ in Lakhs)	Period of delay
Bank of India	1,715.13	990 - 993 days	-	-
IDBI Bank	-	-	348.19	395 - 485 days
Oriental Bank of Commerce	-	-	249.40	365 - 486 days
ICICI Bank	-	-	3,652.51	365 - 973 days

Simhapuri Energy Limited

- The Phase – I Working Capital lenders are: Canara Bank and Central Bank of India. The WC sanctioned amount was Rs.142.00 Crs both Fund based and Non Fund based limits.

The Phase – II Working Capital lenders are:

State Bank of India, Axis Bank, ICICI Bank and Bank of India. The WC sanctioned amount was Rs.327.75 Crs both Fund based and Non Fund based limits.

The security for the WC limits in both the phases is a pari-passu charge on the entire Stocks and Receivables of the respective phases of the project, in addition to a pari-passu charge on the above assets.

Barasat-Krishnagar Expressways Limited

Terms of Security of Secured Term Loans

First mortgage/charge over the Company's immovable properties (other than Project assets), both present and future.

First mortgage/charge over the Company's movable assets including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other moveable assets (other than Project assets), both present and future.

First charge or assignment of all the receivables/revenues of the borrower from the project.

First charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

First charge on all the accounts of the Borrower, including the Escrow Account, MMRA and other reserves without limitation, and each of the other account(s) required to be maintained/created by the Borrower under any Project Document or contract

First charge by way of assignment/security interest on all the rights, titles, benefits, interests, demand and claims under the concession Agreement, Project Documents, Contractors All Risk Insurance policies obtained/procured by the Company, and/or/any of its contractors favouring the Company and all licenses, permits, approvals and consents in respect of the Project, present & future, in respect of the Project.

Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters.

Interest is not accounted on accrual method, because the accounts became NPA with all the banks and also the project has been terminated. Management has not quantified the interest liability which has not been provided for, hence receivables has been understated as well interest on term loan payable is under stated.

₹ in Lakhs

2.23 Trade Payables

	As at March 31, 2020	As at March 31, 2019
For Supplies and Services	35,866.11	54,824.89
Related Parties	146.89	0.02
Retention Money Deposits	7,066.20	6,869.64
Others	4,534.59	4,011.35
Total	47,613.78	65,705.90

2.24 Other Financial Liabilities

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Borrowings	45,624.52	1,31,199.81
Interest Accrued and due on Borrowings	7,682.17	59,314.48
Trade Payables	34.27	-
Other Payables	10,995.01	20,712.01
Unpaid Dividends	23.71	23.71
Total	64,359.68	2,11,250.01

2.25 Other Current Liabilities

₹ in Lakhs

	As at March 31, 2020	As at March 31, 2019
Statutory Dues Payable	3,051.39	4,854.96
Other Liabilities	58,015.30	60,536.32
Material Advance	8.76	1,930.36
Machinery Advance	316.26	316.26
Mobilization Advance	2,508.28	2,709.68
Revenue Received in Advances	279.17	154.93
Total	64,179.17	70,502.51

2.26 Provisions

	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	88.75	41.26
Compensated absences	26.38	40.67
Provision for Expenses	406.85	3,526.73
Provision for Major Maintenance and Repairs	1,02,331.31	10,187.25
Provision for Periodic Maintenance	8,175.96	7,938.57
Total	1,11,029.25	21,734.48

2.27 Revenue from Operations

₹ in Lakhs

	Year ended March 31, 2020	Year ended March 31, 2019
Operating Income		
Income from Contracts and Services	54,165.66	70,013.70
Revenue from Sale of Power	-	4,317.20
Toll Fee Collection	17,856.78	17,622.19
Other Operating Income		
Sale of Metal, Scrap & Others	1,390.65	2,290.92
Total	73,413.09	94,244.01

2.28 Other Income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	47.16	144.05
Miscellaneous Income	2,595.91	2,834.58
Capital Grant Deferment	1,960.09	1,062.67
Dividend Income	0.86	32.70
Total	4,604.02	4,074.00

2.29 Cost of Materials and Work Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Coal & Gas	-	113.95
Other Materials	4,122.54	4,562.24
Stores and Spares	4,389.88	4,375.45
Work Expenses	52,137.78	62,293.49
Total	60,650.21	71,345.13

2.33 Changes in Work-in-progress and Stock

	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock	3,702.70	9,041.12
Closing Stock	(2,206.28)	(5,551.34)
(Increase)/Decrease in Work-in-Progress	1,496.42	3,489.78

2.30 Employee Benefits Expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries & Wages Bonus and Provident Fund	3,303.43	4,216.60
Contribution to provident and other funds		
Staff Welfare Expenses	227.29	302.73
Total	3,530.72	4,519.33

2.31 Finance Cost

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense	14,554.42	27,571.87
Bank Guarantee Commission	474.07	333.00
Total	15,028.49	27,904.87

2.32 Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Administrative Expenses	796.51	4,721.40
Insurance Charges	68.77	310.92
Consultancy charges	661.50	574.59
Rent, Rates & Taxes	481.72	606.56
Advances written off	94.48	1,910.36
Foreign Exchange Loss	944.06	1,029.48
Total	3,047.03	9,153.31

2.33 Subsidiaries and Associates companies considered in the financial statements are:

S.No.	Name of the Entity	Country of Incorporation	Proportion of Ownership Interest		
			Madhucon Projects Limited	Madhucon Infra Limited	Madhucon Toll Highways Limited
1	Madhucon Infra Limited	India	94.89%	-	-
2	Nama Hotels Private Limited	India	99.96%	-	-
3	Madhucon Mega Mall Private Limited	India	66.66%	-	-
4	Madhucon Heights Private Limited	India	66.66%	-	-
5	Madhurai Tuticorin Expressways Limited	India	54.12%	-	24.48%
6	Madhucon Toll Highways Limited	India	0.01%	99.98%	-
7	Ranchi Expressways Limited	India	0.02%	0.02%	99.94%
8	Barasat Krishnagar Expressways Limited	India	0.03%	0.04%	99.88%
9	Simhapuri Energy Limited	India	12.15%	80.78%	-
10	TN(DK) Expressways Limited	India	0.13%	50.97%	48.86%
11	Trichy-Thanjavur Expressways Limited	India	0.15%	76.10%	23.70%
12	Chhapra-Hajipur Expressways Limited	India	0.16%	54.23%	45.58%
13	Vijayawada-Machilipatnam Expressways Limited	India	1.78%	13.33%	80.44%
14	Rajauli Bakhtiyarpur Expressways Limited	India	4.80%	4.00%	83.20%
15	PT Madhucon Indonesia	Indonesia	4.86%	85.00%	-

- a) In respect of Madhucon Natural Resources Limited Singapore a subsidiary of the Company, the audit of the said entity is not completed, during the year there are no transactions and the effect on consolidated financial statements is negligible and hence it is not considered for consolidated financials.
- b) As the losses incurred by the Associate, Madhucon Properties Limited is in excess of the investment made by the Company, such associate financials are not considered for consolidated financials.

2.34 (a) Contingent Liabilities not provided for:

₹ in Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Bank Guarantees**	2,694.00	40,173.00
Disputed Sales Tax (on appeal)	687.42	6,906.52
Entry Tax	25.81	
Service Tax	1,655.75	
Income-tax demand contested in appeal	11,450.48	7,138.61
The Group is a party to legal suits on construction contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable

** on behalf of Subsidiaries and Joint Ventures

2.35 The long term unquoted investments in equity shares of subsidiary companies as given hereunder and included in Schedule V are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Name of the entity	No of Shares pledged as at 31.03.2020	No of Shares pledged as at 31.03.2019
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	56,44,77,705	56,44,77,705
4	Simhapuri Energy Limited	715,220,236	715,220,236
5	Madhucon Toll Highways Limited	12,00,00,000	12,00,00,000
6	Madhucon Heights Private Limited	9,000	9,000
7	TN (DK) Expressways Limited	6,04,74,600	6,04,74,600
8	Trichy-Thanjavur Expressways Limited	4,59,30,000	4,59,30,000
9	Chhapra-Hajipur Expressways Limited	3,48,07,500	3,48,07,500
10	Barasat-Krishnanagar Expressways Limited	2,21,34,000	2,21,34,000
11	Ranchi Expressways Limited	7,52,08,000	7,52,08,000

2.36 Deferred Tax Asset / (Liabilities) (net)

Significant components of deferred tax Asset /(Liabilities) for the year ended March 31, 2020:

₹ in Lakhs

	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities		
Timing difference on account of Depreciation and amortization	(476.44)	1,613.52
Deferred Tax Asset		
Business loss/Unabsorbed depreciation	3,656.98	3,150.69
Deferred Tax Asset / (Liability) (net)	3,180.54	4,764.21

2.37 Disclosure in accordance with Ind AS 11 Construction contracts

	2019-20	2018-19
Contract revenue recognized	53,305.36	64,661.38
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for		
Contracts in progress	52,245.37	468,060.93
Amount of advances received for contracts in progress	3,691.22	11,002.46
Amount of retention money for contracts in progress	9,569.04	8,693.40
Gross amount due from customers for contracts in progress	7,218.56	14,290.58

2.38 Micro & Small Enterprises: The management has taken steps to identify the enterprises which have provided goods and services to the Group and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on **March 31, 2020** has been made in the Financial Statements based on the information received and such amount outstanding as on **March 31, 2020** to Micro and Small Enterprises is Nil which the Auditor have relied upon. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

2.39 Earnings per Share:

	Year ended 31.03.2020	Year ended 31.03.2019
Net Loss after tax available for equity shareholders (Rs. in Lakhs)	(1,06,378.57)	(34,389.05)
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 * (‘)	(144.43)	(46.60)

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

2.40 Related Party Transactions:

I. Following are the list of related parties and relationships

S.No.	Particulars
A.	Enterprises where significant influence exists
1	Nama Investments Limited
2	Madhucon Info Tech Limited
3	Madhucon Land Developers Limited
4	Madhucon Estates Limited
5	Nama Properties Limited
6	NNR Infra Investments Private Limited
7	Rajanagaram Gas Power Private Limited
8	Mana Stone & Sand Private Limited
9	Madhucon Mineral Resources Limited
10	Nama Energy Private Limited
11	MBN Anchored Earth Limited
B.	Joint Ventures
12	Madhucon Sino-Hydro JV
13	Madhucon Shreehari Hule JV
14	MPL SCCPL SSBBC JV
C.	Key Management Personnel
15	Sri Nama Seethaiah
16	Sri K. Srinivasa Rao
17	Sri Md Shafi
18	Sri Nama Krishnaiah
D.	Relatives of Key Management Personnel
19	Sri Nama Nageswara Rao
20	Sri Nama Rama Rao

II. Related party transactions during the year as follows

₹ in Lakhs

	2019-20	2018-19
Revenue from Contracts and Services		
Jointly Controlled/entities and ventures	924.57	13,217.75
Remuneration		
Key Management Personnel	140.07	114.00
Sitting Fee	0.70	
Loans/Advances Given		
Associates	2,582.18	0.20
Enterprises owned or significantly influenced by key management personnel or their relatives	1,104.59	3.55
Loans/Advances Received		
Jointly Controlled/entities and ventures	1,255.38	104.60
Retention Money		
Jointly Controlled/entities and ventures	0.75	799.74

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

₹ in Lakhs

	2019-20	2018-19
Trade Receivables		
Jointly Controlled/entities and ventures	314.71	80.50
Outstanding Receivables		
Jointly Controlled/entities and ventures	6,546.51	4,364.84
Key Management Personnel	236.24	83.97
Enterprises owned or significantly influenced by key management personnel or their relatives	4,866.32	9,290.35
Key Management Personnel	236.24	
Outstanding Payables		
Associates	20,206.15	401.17
Jointly Controlled/entities and ventures	3,176.88	1,921.6
Key Management Personnel	131.17	131.31
Enterprises owned or significantly influenced by key management personnel or their relatives	1,009.14	482.64

- 2.41 i) To the financial Statements, relating 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 company is awaiting for government approval to start the project and carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3500 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
- ii) To the Financial Statements which indicate that the outstanding Loans and advances of Rs 4191.1 Lakhs and Rs 512.49 Lakhs granted to “Nama Investments Limited” and “NNR Infra Investments Private Limited” respectively, in which the Company’s Directors have Interest. These Companies have been incurring Losses and accumulated losses exceeded the Net Worth. The management is yet to assess the risk of default and resultant expected credit loss allowance on such loans and advances

- (iii) "Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in the State of West Bengal. The construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the project to NHAI on December 31, 2015. BKEL and NHAI entered into a Supplementary Agreement to the "Concession Agreement dated June 20, 2011 on May 02, 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 Contract vide its letter dated May 03, 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 and cost incurred on the project upto March 31, 2019 ` 57,869.94 Lakhs instead of writing off has been accounted as NHAI claims receivable under the head "other current Financial assets".
- (iv) Rajauli-Bakhtiyarpur Project of the company has been foreclosed with mutual consent, cost incurred on the project upto March 31, 2019 Rs 815.40 Lakhs instead of writing off has been accounted as claims receivable under the head "other current assets". The company approached BSRDC by invoking arbitral clause initiate arbitration proceedings for the expenses incurred for the project till date.
- (v) "Vijayawada-Machilipatnam Expressways Limited" (VMEL), which is a subsidiary to the Company, was incorporated under the Companies Act, 1956 on November 28, 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 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. Cost incurred on the project up to March 31, 2019 ` 65.01 Lakhs instead of writing off has been accounted as claims receivable under the head "other current assets". The company referred the matter with 'Society for Affordable Redressal of Disputes' (SAROD) and got award in its favor. The NHAI has filed appeal with the Honorable High Court of Delhi against the award. However, the claim is not yet received so far.
- (vi) Ranchi Expressways Limited (REL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 2nd day of June, 2010 as a Special Purpose Vehicle for Design, Operate, Finance and Transfer of 4 laning of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114 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 ` 223.00 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs 223.00 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. 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 were commenced. Cost incurred on the project up to March 31, 2019 Rs 129,509.50 Lakhs instead of writing off has been accounted as claims receivable under the head "other current assets"
- (vii) In consolidated financial statements Simhapuri Energy Limited which is subsidiary of Holding company are not included. The honourable national company law board passed an order dated 26-06-2020 against the Simhapuri Energy Limited and admitted the corporate insolvency resolution process (CIRP) and also RP was appointed. Since the financials of the Simhapuri Energy Limited has not yet finalised for the year ended 31st march 2020, the same was not included in the consolidation of accounts.

2.42 Segment Reporting

The details of primary segment information for the year ended March 31, 2020 and March 31, 2019 are given below:

The Group is currently focused on three business segments Construction, Power and Toll Collection ₹ in Lakhs

	As at 31.03.2020	As at 31.03.2019
Segment Revenue		
Construction	54,762.53	68,185.84
Energy	-	4,317.20
Toll Highways	17,870.30	17,630.16
Others	860.29	5,352.32
Less : Inter Segment Revenue	(80.53)	(1,241.51)
Total	73,413.09	94,244.01
Segment Results before Interest and Taxes		
Construction	(1,725.35)	1,543.06
Energy	-	(20,762.25)
Toll Highways	4,737.25	6,633.87
Others	(876.91)	(24.31)
Total	2,134.99	(12,630.90)
Less : Interest Expenses	15,028.49	27,904.86
Profit Before Tax	12,893.50	(40,535.76)
Segment Assets*		
Construction	2,22,595.45	2,26,304.52
Energy	-	3,57,949.18
Toll Highways	1,23,963.68	1,33,422.42
Others	2,36,203.08	2,43,078.08
Less : Inter Segment Elimination	(2,15,038.41)	(2,15,038.41)
	3,67,723.80	7,45,715.7
Segment Liabilities**		
Construction	4,80,026.33	3,77,822.37
Energy	-	3,41,908.96
Toll Highways	1,25,420.74	1,29,228.23
Others	2,16,995.19	2,11,812.46
Less : Inter Segment Elimination	(96,159.25)	(96,159.25)
	7,26,283.01	9,64,612.78

* Segment Assets excludes current and non-current investments, deferred tax assets

** Segment Liabilities excludes deferred tax liabilities

2.43 In respect of a Subsidiary, Madhucon Natural Resources Limited, Singapore, the audit of the subsidiary is not completed, there are no transactions from the inception and the effect on consolidated financial statements is negligible. Hence not considered for consolidation.

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

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 : 007257S

For and on behalf of the Board

A.Krishna Rao
Partner
Membership Number 020085
Place : Hyderabad
Date : September 14, 2020

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

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