



MADHUCON

MADHUCON PROJECTS LIMITED

(CIN:L74210TG1990PLC11114)

AN ISO-9001 : 2008 COMPANY

31st Annual Report 2020 - 2021

Corporate Information

Board of Directors

Mr. Ramadas Kasarneni	Chairman and Independent Director
Mr. N. Seethaiah	Managing Director
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)

Key Managerial Personnel

Mr. K. Venkateswarlu	Chief Financial Officer (w.e.f. 01-07-2020)
Mrs. K. Rajani	Company Secretary (up to 30-08-2020)
Mr. M. S. Sivanand	Company Secretary (w.e.f. 7-10-2020)

Registered Office

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

Corporate Office

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

Statutory Auditors

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

Secretarial Auditors

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

Auditors

M/s 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

M/s 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 31st Annual General Meeting (AGM) of the Members of Madhucon Projects Limited will be held on Thursday, 30th September, 2021 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 INDAS format for the financial year ended 31st March, 2021 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, 2021 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 32nd Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."
3. To appoint a director in place of Sri. Madhu Malampati (DIN: 00368625), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of the Re-appointment of Sri. Mohammad Shafi (DIN:07178265) as Whole Time Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and such other approvals as may be required, if any, consent of the Members be and is hereby accorded for the ratification of the re-appointment of Sri. Mohammad Shafi as Whole time Director of the Company for a period of three years with effect from May 30, 2021 on monthly Managerial Remuneration of Rs.3,00,000/- (Rupees three lacs only) (inclusive of all allowances & perquisites) on the recommendations and approval of the Nomination & Remuneration Committee."

"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. Ratification of the Re-appointment of Sri Ramadas Kasaraneni (DIN:02182093) as an Independent Director and Chairman of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and such other approvals as may be required, if any, consent of the Members be and is hereby accorded for the ratification of the reappointment of Sri. Ramadas Kasaraneni as an Independent Director and Chairman of the Company for a period of five years with effect from August 13, 2021.

"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."

6. To appoint and approve the remuneration of the Cost Auditor for the financial year ending on 31st March, 2022.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and

Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs.1,50,000.00 (Rupees One Lakh fifty Thousand only) inclusive of all taxes payable, M/s 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, 2022, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

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

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

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

“RESOLVED FURTHER THAT the total interest provisions on Rs. 686.63 Cr. and Rs. 45.09 Cr. Working Capital Loans and Term Loan respectively aggregating to Rs. 731.72 Cr. for the full financial year 2020-21 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.”

For Madhucon Projects Limited

Place : Hyderabad
Date : 13-08-2021

Nama Seethaiah
Managing Director
DIN:00784491

NOTES :

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 2/2021 dated 13th January 2021 has permitted companies to conduct Annual General Meeting (AGM) to be held in the year 2021 through Video Conferencing (VC) or Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned in the General Circular No. 20/2020 dated 5th May 2020. In similar lines, SEBI vide circular dated 15th January 2021, has extended the relaxations given vide its Circular dated 12th May 2020 in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode, till 31st December 2021. In compliance with the circulars from the Regulators and applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 31st AGM of the Company is being convened and conducted through VC / OAVM. The deemed venue for the 31st Annual General Meeting of the Company shall be the Registered Office of the Company.
2. The Company has enabled the Members to participate at the 31st AGM through the VC / OAVM facility provided by KFin Technologies Private Limited (KFintech), Registrar and Share Transfer Agent. The instructions for participation by Members are given in the subsequent paragraphs. Members may note that the VC facility provided by KFintech, allows participation of at least 1000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
3. In addition to the above, the proceedings of the 31st AGM will be cast live for all the shareholders after the date of AGM and the cutoff date is Friday, 22nd September, 2021. The shareholders can visit <https://emeetings.kfintech.com> and login through existing user id and password to watch the live proceedings of the 31st AGM on Thursday, 30th September, 2021 from IST 3.00 p.m. onwards.
4. As per the provisions under the MCA Circulars, Members attending the 31st AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary instructions is given in the subsequent paragraphs.
6. Members joining the meeting through VC / OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC / OAVM but shall not be entitled to cast their vote again.
7. The Company has appointed Mr. Venkata Krishna Reddy Sabbella, Practicing Company Secretary (Membership No. ACS 53083) (PCS No. 19542), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
8. As per the Companies Act, 2013 and the rules framed thereunder, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 31st AGM is being held through VC / OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 31st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vkrishna.acs@gmail.com (scrutinizer email) with a copy marked to evoting@kfintech.com.
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.
11. In line with the MCA Circulars, the notice of the 31st AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at [https:// www.madhucon.com/](https://www.madhucon.com/)

- investors/ annual-reports/, 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 KFinTech at <https://evoting.kfintech.com>.
12. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, (Unit: Madhucon Projects Limited) Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.
 13. Members may note that pursuant to the Circulars from MCA and SEBI, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may update their email address 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 at raghu.veedha@kfintech.com or '<https://evoting.kfintech.com/>'.
 14. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the 31st AGM is annexed hereto.
 15. Brief profile of the Directors proposed to be appointed / re-appointed is given towards the end of this Notice pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India. The Company has received the requisite consents/ declarations for the appointment/ re-appointment of the Directors mentioned in the Notice of the AGM as stipulated under the Companies Act, 2013 and the rules made thereunder.
 16. Members who hold shares in dematerialized form and want to register / update the bank account details should send the same immediately to their concerned Depository Participant. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
 17. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management, Members can contact the Company or KFinTech., for assistance in this regard.
 18. Members holding shares in physical mode are also requested to register / update their e-mail address with the Company / KFinTech for receiving all communications from the Company electronically.
 19. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to Registrar and Share Transfer Agent, KFin Technologies Private Limited (Unit: Madhucon Projects Limited), Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032.
 20. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon.
 21. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Further for transfer deeds lodged before the deadline of 1st April 2019, and rejected or returned due to deficiency in documents had to be re-lodged with requisite documents by 31st March 2021 (the cut-off date).
 22. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).
 23. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.
 24. As the 31st AGM is being held through VC / OAVM, the route map is not annexed to this Notice.

ANNEXURE TO NOTICE:

Additional information about the Directors being appointed/reappointed as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 3: Appointment of Sri. Madhu Malampati as Non executive and Non-Independent Director:

Sri. Madhu Malampati (DIN: 00368625), aged about 40 years having 16 years of experience in construction field and he holds 24,000 Equity Shares in the Company.

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

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

Item No. 4: Ratification of Re-Appointment of Sri. Mohammad Shafi (DIN:07178265) as Whole Time Director of the Company:

Sri Mohammad Shafi (DIN : 07178265) who was appointed as a Whole Time Director since May 30, 2015 for a term of 3 years each his term has expired on May 30, 2021 and hence he was Re-appointed by the Board of Directors at its Board meeting held on 13th August, 2021 on the recommendations of the Nomination & Remuneration Committee. The Board appointed him as Whole-time Director of the Company for a period of 3 (three) years w.e.f. 30.05.2021 on a monthly remuneration of Rs.3,00,000/- inclusive of all allowances and perquisites, subject to concurrence of Shareholders and compliance of all applicable provisions of the Companies Act, 2013. Sri Mohammad Shafi does not hold any Equity shares in the Company.

Your Board of Directors recommend for ratification of the reappointment of Sri Mohammad Shafi by your approval in the interest of the Company.

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

Item No. 5: Ratification for the Re-appointment of Sri Ramadas Kasaraneni (DIN:02182093) as an Independent Director and Chairman of the Company:

Shri Ramadas kasaraneni (DIN: 02182093) was appointed as an Independent director by your board in its meeting held on 13.08.2021 to act as Director of the Company. In accordance with the provisions of Section 160 & 161 of the Act, appointment of an Independent Director and Chairman requires approval of members in AGM. Hence, your Directors recommend his Appointment.

Shri Ramadas kasaraneni (DIN: 02182093) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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

Item No. 6:

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, 2022. 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, 2022, as set out in the Ordinary Resolution in Item No. 6.

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

Item No. 7:

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

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

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

For Madhucon Projects Limited

Place : Hyderabad
Date : 13-08-2021

Nama Seethaiah
Managing Director
DIN:00784491

INSTRUCTIONS FOR REMOTE E-VOTING:

1. Use the following URL for e-voting from KFinTech website: <https://evoting.kfintech.com>.
2. Members of the Company holding shares either in physical form or in dematerialized form, as on 22nd September, 2021, the cutoff date, may cast their vote electronically.
3. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, use your existing User ID and password for casting your votes.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character (@, #, \$ etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVENT i.e., Madhucon Projects Limited.
8. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
9. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
11. The Portal will open for voting from 9.00 a.m. on 27th September, 2021 and closes at 5.00 p.m. on 29th September, 2021 with E-Voting Sequence number (EVSN) – 6243.
12. Members of the Company who have purchased their shares after the dispatch of the Notice but before the cutoff date (22nd September, 2021) may contact KFinTech at Tel No. 1800 309 4001 (toll free) to obtain login id and password or send a request to einward.ris@kfintech.com.
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFinTech at Tel No. 1800 309 4001 (toll free).
14. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/ 242 dated 9th December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Procedure to login through websites of Depositories:

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

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

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

- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/ P/2020/242 dated 9th December 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.
- The voting results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.madhucon.com and the website of the Registrar and Share Transfer Agent viz., evoting@kfintech.com immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
- Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Members will be required to grant access to the webcam to enable two-way video conferencing.
- REGISTRATION AS A SPEAKER FOR THE AGM**
Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab ‘Speaker Registration’ and mentioning their registered e-mail id, mobile number, and city, during the period starting from 27th September, 2021 at 09.00 a.m IST up to 29th September, 2021 at 05.00 p.m IST. Only those members who have registered themselves as speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date i.e., 24th September, 2021.

INSTRUCTIONS FOR PARTICIPATING THROUGH VC/OAVM

- Members will be able to attend the 31st AGM through VC/OAVM through KFintech e-voting system at <https://evoting.kfintech.com> under shareholders login by using the remote e-voting credentials and selecting the EVENT for the Company’s 31st AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice of AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging in to the e-voting system.
- Members will be required to use internet with a good speed to avoid any disturbance during the Meeting. It is recommended to join the Meeting through Google Chrome for better experience.

Members, who would like seek clarifications with regard to the financial statements or the operations of the Company, may do so by sending a request from their registered email id to reach the Company’s email ID cs@madhucon.com at least seven days prior to the date of the meeting, so as to enable the Management to respond suitably.

6. The Chairman shall, after responding to the questions raised by the Members at the AGM, formally propose to the Members participating through VC/OAVM to vote on the Resolutions as set out in the Notice of the 31st AGM and announce the start of the casting of vote through e-voting system. After the Members participating through VC/OAVM, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the Meeting.
7. Only those Members who will be present in the AGM through the VC / OAVM facility and have not cast their vote through remote e-voting are eligible to vote through e-voting in the AGM.
8. Members, who need assistance or help during the AGM, can contact KFintech at toll free number 1800-309-4001 or write to them at evoting@kfintech.com.
20. The Company has paid the Listing Fees for the Year 2020-21 to both the Stock Exchanges where equity shares of the Company is listed.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

17. 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.
18. 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, 24th September, 2021 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 2013-14 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:

19. 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.

BOARD'S REPORT

Your Directors have pleasure in presenting the 31st Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

1. FINANCIAL SUMMARY

(Rs. in Lakhs)

S. No.	Particulars	Standalone	Year ended	Consolidated	Year ended
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:				
	(a) Net Sales/ Income from Operations	64,655.05	54,682.00	90,916.23	73,413.09
	(b) Other income	7,190.97	787.07	12,484.10	4,603.57
	Total Income	71,846.02	55,469.07	1,03,400.33	78,016.65
2	Expenses:				
	(a) Cost of Materials Consumed	63,442.04	51,044.53	88,842.92	60,650.21
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	889.61	1,496.42
	(c) Employee benefits expense	1,728.40	2,196.78	2,792.85	3,530.72
	(d) Other expenses	10,288.63	2,536.45	1,994.51	3,047.03
	(e) Financial Costs	847.22	1,343.22	24,570.33	15,028.49
	(f) Depreciation and amortization expense	595.97	836.52	12,871.32	7,157.74
	Total Expenses	76,902.26	57,956.80	1,31,961.54	90,910.61
3	Profit/(Loss) Before Exceptional Items (1-2)	(5,056.25)	(2,487.73)	(28,561.21)	(12,893.96)
4	Exceptional Items Share of (Loss) from Associate Company	-	22,727.00	982.39	97,027.06
5	Profit/(Loss) Before Tax (3-4)	(5,056.25)	(25,214.73)	(27,578.82)	(1,09,921.02)
6	Tax Expense				
	· Current Tax	-	-	-	-
	Income Tax Refund Received	-(5,392.23)	-	-(5,392.23)	-
	c) Deferred Tax	3,982.68	(3,656.98)	3,982.68	1,583.67
	Total Tax (a+b)	(1,409.55)	(3,656.98)	(1,409.55)	1,583.67
7	Net Profit/(Loss) After Tax (5-6)	(3,646.70)	(21,557.75)	(26,169.29)	(1,11,504.69)
	Share of Loss transferred to Non-Controlling Interest	-	-	(2,830.05)	(4,921.29)
	Profit/(Loss) after Tax after Non-Controlling Interest	(3,646.70)	(21,557.75)	(23,339.24)	(1,06,582.94)
	Share of Profit or Loss from Associated Companies	-	-	-	-
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	(3,646.70)	(21,557.75)	(23,339.24)	(1,06,582.94)
8	Other Comprehensive Income	(35.65)	71.00	(35.65)	204.36
	Share of Other Comprehensive Income transferred to Non-Controlling Interest	-	-	-	0.01
9	Total Comprehensive Income (7+8)	(3,682.35)	(21, 486.75)	(23,374.90)	(1,06,378.57)
10	Paid up equity share capital (Face Value of Rs.1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	55,588.59	52,604.48	(1,90,160.04)	(2,43,839.86)
12	(i) Earning per share of Rs.1/- each (not annualized)				
	(a) Basic	(4.94)	(29.21)	(31.63)	(144.43)
	(b) Diluted	(4.94)	(29.21)	(31.63)	(144.43)

2. Extract of Annual Return:

In accordance with Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2021, the requirement of attaching extract of annual return in MGT 9 with the Board's report is done away with. The Annual return as referred in section 134(3)(a) of the Act for the financial year ended 31st March, 2021 is available on the website of the Company at www.madhucon.com/investor/Annual Return.

3. Indian Accounting Standards:

The Company has followed Indian Accounting Standards and accounting principles generally accepted in India in preparation of financial statements for the financial year 2020-21.

4. Reserves: [Section 134(3)(J)]:

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

5. Dividend: [Section 134(3)(K)]

No dividend was declared on equity shares for the year ended 31.03.2021 due to Loss.

6. Board Meetings:

During the Financial Year under review the Board has 4 (Four) times i.e., on 30th July, 2020 14th September, 2020, 13th November, 2020 and 12th February, 2021 The details with respect to Committee meetings and attendance there at as required under the Secretarial Standard-1 issued by the Institute of Company Secretaries of India have been provided in the Corporate Governance Report forming part of this Annual Report.

7. Directors' Responsibility Statement:

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

- i. That in the preparation of annual accounts for the financial year ended 31st March, 2021; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. 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.
- iii. 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.
- iv. That the Directors have prepared the annual accounts for the year ended 31st March 2021 on a "Going Concern" basis.

- v. 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.
- vi. 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.

8. 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 2020-21. 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.

9. Declaration from Independent Directors on Annual Basis:

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

10. Nomination and Remuneration Policy:

The Nomination and Remuneration Committee has laid down the policy for Remuneration of Directors, KMP & other Employees and the criteria has been formulated by the Committee for determining qualifications, positive attributes and independence of a Director. The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

11. Share Capital:

The paid up share capital is Rs. 7,37,94,940/- of Rs.1/- each. There were no other changes that have been made in the share capital of the Company during the year under review. The Details of Share Capital are mentioned at Notes-2.15 of the Financial Statements.

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

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

13. 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.

14. Management Discussion & Analysis Report:

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 I**.

15. 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.

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

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

17. 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.

18. 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 III.

19. 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 and the same was admitted by appointing IRP and the process is in progress.

20. 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.

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

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

22. 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, 2021, duly audited by the Statutory Auditors which forms part of the Annual Report. The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time as they have been kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

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

a) Change in Key Managerial Personnel during the year:

1. Mr. K. Venkateswarlu was appointed as Chief Financial Officer of the Company w.e.f. 01-07-2020.
2. Mrs. Rajani Kamatham had resigned as the Company Secretary of the Company w.e.f. 30-08-2020.
3. Mr. M S Sivanand was appointed as Company Secretary of the Company w.e.f. 07-10-2020.

b) Change in Directors during the year:

1. Mr. Madhu Malampati was appointed as Non-Independent and Non-Executive Director of the Company with effect from 01-04-2020.
2. Ratification for the Re-appointment of Sri. Mohammad Shafi (DIN: 07178265) as Whole Time Director of the Company.
3. Ratification for the Re-appointment of Sri Ramadas Kasaraneni (DIN: 02182093) as an Independent Director and Chairman of the Company:

24. CEO and CFO Certification :

In accordance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director & C.E.O. and Chief Financial Officer of the Company have submitted a certificate for the year ended 31st March 2021 to the Board of Directors which forms part of the Annual Report.

25. Vigil Mechanism / Whistle Blower Policy:

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

26. 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 2020-21, the Company received no complaints on sexual harassment.

27. 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.

28. 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 2021

29. Audit Committee:

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

30. Stakeholders' Relationship Committee:

The Committee focuses on shareholders' grievances and strengthening of investor relations. The Committee coordinates the services of the Registrars and Share Transfer Agent and recommends measures for providing efficient services to investors. The Committee specifically looks into investor complaints like transfer/transmission/transposition of shares and other related issues. There were no complaints pending for redressal as at 31st March, 2021. The details pertaining to composition of Stakeholders Relationship Committee are given in the Corporate Governance Report.

31. Statutory Auditors and their Report:

P. Murali & Co., Chartered Accountants (FRN 007257S) were reappointed as Statutory Auditors of the Company for the Financial Year 2020-21. M/s. P. Murali & Co., Chartered Accountants (FRN 007257S) expressed their willingness to be reappointed for the financial year 2021-22 and to hold the office up to 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.

32. 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, 2020 and ending on 31st March, 2021.

33. Internal Auditors:

Mr. J Ramakrishna Raju acting as Internal Auditor for the Company and have submitted quarterly reports for the financial year 2020-21 to the Board and there are no material adverse comments.

34. Secretarial Auditors and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Venkata Krishna & Associates, Company Secretaries (ACS 53083 and CP No.19542) has been appointed as Secretarial Auditors of the Company for the financial year 2020-21 to carry out the Secretarial Audit and issue report thereon. Secretarial Audit report as issued by M/s Venkata Krishna & Associates, Company Secretaries is annexed to this Report as **ANNEXURE IV**.

35. 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 2020-2021.

36. 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 V** and forms part of this Report.

37. Depository mSystem :

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

38. Prevention of Insider Trading:

Your Company has in place code of conduct to regulate, monitor and report trading by designated persons and code of practices and procedures for fair disclosure of unpublished price sensitive information which is in adherence to the SEBI (Prohibition of insider trading) Amendment Regulations, 2018. The disclosures received

pursuant to this code and the Regulations are disseminated to the Stock Exchanges within prescribed time limit. The Report of compliance officer was placed before the Board. The code is available at the company's website at the following link www.madhucon.com. All the Board Members and the designated employees have confirmed the compliance with the Code

39. Corporate Governance and Shareholders Information:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance forming part of this Report, together with the Auditors' Certificate regarding the compliance of the conditions of Corporate Governance is given in a separate section in the Annual Report as **Annexure-VI**.

40. Appreciations:

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

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

(N. Seethaiah)
Managing Director
DIN: 00784491

(Mohammad Shafi)
Whole-time Director
DIN: 07178265

Place : Hyderabad
Date : 13-08-2021

ANNEXURE -I

MANAGEMENT DISCUSSION & ANALYSIS

I. Industry Structure and Developments:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges apart from dams, roads, and urban infrastructure development.

This year the Government has allocated 34.5% more (BE to BE) than last year to Infrastructure development, and given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure.

Accordingly the Government of India has given a massive push to the infrastructure sector by allocating Rs 1,18,101 crore, highest ever outlay, for Ministry of Road Transport and Highways, of which Rs. 1,08,230 crore is for capital expenditure. Under Bharatmala Pariyojana, with an estimated investment of Rs. 5,35,000 crore, already 13,000 km of roads worth Rs. 3,30,000 crore have been awarded for construction. New Economic Corridors and Expressways and advanced Traffic Management system in all new 4 and 6 lane highways is being planned.

National Infrastructure Pipeline (NIP) expanded to 7400 projects. Measures in three thrust areas to increase funding for NIP by (i) creation of institutional structures-set up and capitalize a Development Financial Institution (DFI), (ii) big thrust on monetizing assets, (iii) enhancing the share of capital expenditure, is the strong outlay.

With regard to Railway Infrastructure (i) National Rail Plan for India (2030) to create a 'future ready' Railway system by 2030. (ii) 100% electrification of broad gauge routes to be completed by December, 2023, (iii) Western dedicated freight corridor (DFC) and Eastern dedicated freight corridor (DFC) to be commissioned by June, 2022, (iv) Measures for passenger convenience and safety – (a) aesthetically designed vista dome like Hoffman busch (LHB) coach on tourist routes for better travel, (b) High density network and highly utilized network routes to have an indigenously developed automatic train protection system, eliminating train collision due to human error. Besides urban infrastructure include (a) Expansion of metro rail network and augmentation of city bus service, (b) 'Metrolife' and 'Metroneo' technologies will be used to provide metro rail systems at much lesser cost with similar experience.

The Government has allocated Rs. 20,000 crore to set up and capitalize a Development Financial Institution (DFI) to act as a provider, enabler and catalyst for

infrastructure financing and a Rs, 5,00,000 crore lending portfolio will be created under the proposed DFI in three years.

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

II. Opportunities and Strengths:

The Government of India is taking every possible initiative to boost the infrastructure sector and is expected to invest highly in the infrastructure sector, mainly 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. 2196.07 Crores.

Segment-wise performance:

1. Transportation Division:

Your Company had executed and completed 11,200 lane Kms of road projects across India till date successfully. Besides, work amounting Rs. 805.28 Crore was done till August, 2021 out of the total work amounting to Rs. 1,193.99 Crore (pertaining to Arunachal Pradesh and Nagaland). Balance work of Rs. 388.71 Crore is outstanding as on date. The works in the North-East corridor were successfully executed during the year inspite of existence of pandemic atmosphere.

2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, Dams, Tunnels, Spillways, Pump house and Lift Irrigation Projects across PAN India. At present various Irrigation Projects having a total value of Rs. 3,387.61 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and Telangana. Out of which work amounting to Rs. 2,035.49 Crore was already executed till date, while work amounting to Rs. 1,352.12 Crore is the balance outstanding to be executed.

III. Outlook:

Future outlook of infrastructure industry in India:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating Rs. 2,33,083 crore (US\$ 32.02 billion) to enhance the transport infrastructure. The Government announced Rs. 18,998 crore (US\$ 2.61 billion) for metro projects.

For highways, the budget allocation has been stepped up to Rs 1, 18, 101 Crore (US\$ 16.20 billion) for FY 2021-22 from Rs 83, 015 Crore in previous year. The higher provision is for expenditure on development of projects relating to 6 laning of crowded stretches of Golden Quadrilateral and 2 laning highway works under NHDP.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.

India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

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

Road Ahead:

The roadmap to India's infrastructure is exciting and futuristic, and it will not be an exaggeration to say that the new decade seems to be a promising one. According to Indian Infrastructure Sector in India Industry Report India plans to spend US\$ 1.4 trillion on infrastructure in between the period of 2019-23 to promote sustainable development in the country. This depicts the upward trajectory of the Indian infrastructure space which is on the rise. Also, with Covid-19 restrictions been removed, the infrastructure work has progressed, and the Indian National Highways are continuously being upgraded based on the latest technology.

More and more green and clean initiatives are happening across government bodies in major countries, especially, the Indian government has given the much-needed push to the infrastructure sector in the recent 2021 budget. India is looking at \$5 trillion economy dream, as quoted by Finance Minister Nirmala Sitharaman during the recent budget announcement. The economy boost is only possible with the infra development at the forefront. Additionally, there is a need to work in the direction of developing advanced infrastructure that will provide momentum to PE/VC investments in India.

As per the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development and construction sector stood at US\$ 25.78 billion and US\$ 17.22 billion, respectively, between the

time period of April 2000 and September 2020. To top it all, the logistics sector in India is rising at a CAGR of 10.5% annually which shows that both in terms of investments and revenue the infra game is going strong.

IV. Risks and Concerns:

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

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

I. Internal Control Systems and their adequacy:

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

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

During the year under review, your Company has achieved a total income (standalone) of Rs. 71,846.02 Lakhs against Rs 55,469.07 Lakhs and Earning per Share (EPS) of Rs. (4.94) against Rs. (29.21) 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 -II

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	2020-21	2019-20
Foreign Exchange Earnings:		
Advance Received	Nil	Nil
Foreign Exchange Outgo:		
i. Towards Travelling	Nil	5.93
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	Nil	Nil

ANNEXURE- III

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	No.of Meetings held during the year	No.of Meetings attended during the year
1.	Mrs. Ch. Lakshimi Kumari	Women Independent Director	Chairperson	1	1
2.	Mr. Seethaiah Nama	Managing Director	Member	1	1
3.	Mr. Madhava Rao Potla	Independent Director	Member	1	0

3. Average net profit of the company for the last three financial years: Rs. 360.16 Lac

4. Prescribed CSR expenditure (two percent of the amount as above): Rs. 7.20 Lac

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

VENKATA KRISHNA & ASSOCIATES
Company Secretaries

ANNEXURE- IV

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, 2021

To,
The Members of,
MADHUCON PROJECTS LIMITED,
H.No.1-7-70, Jublipura
KhammamTG 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 31st March,2021 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,2021 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 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 Regulations 17, 33, 23 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as reported in the Annual Secretarial Compliance Report dated 23.06.2021
 - ii) The Company has not complied the provision of Section 152 (6) & (7) of the Companies Act, 2013 regarding Retirement of Directors at the 30th Annual general meeting of the Company held on 05/12/2020
 - iii) The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 7,07,791/- relating to Financial Years 2008-09 to 2010-11 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
 - iv) The Company has yet to file 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 not in accordance with the provisions of 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 the 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.

However in view of heavy losses incurred During the Past Two Preceding Years, the Company is unable to spend any amount towards to the Corporate Social Responsibility Activities.

During the Reporting period 31.03.2021 the following cases have been filed against Company in National Company Law Tribunal (NCLT), Hyderabad Bench.

SR.No.	CASE TITLE AND	DETAILS	AMOUNT OF CLAIM (IN RUPEES)
1	Tecpro Systems Ltd Vs MPL,SELCP(IB)/137/9/HDB/2018	Default of Payment	Rs.5,20,64,633/-
2	Kataline Constructions & Technologies Pvt Ltd., VS MPL.CP(IB)No.27/9/HDB/2018	The fact is that there is lot of differences between the measurements claimed by Katline and the meaasurements approved by MPL and the same was intimated to Katline wide e-mail dated 3-3-2017 and clarified that the amount due as per records is only Rs.10,83,141/-	Rs.45,35,211/-
3	Bank of India vs MPLCP/IB/261/7/HDB/2019	Default of payment	Rs.63.00 Crores
4	K. Sai Mohan Reddy Vs MPLCP391/9/HDB/2020	Default of payment	Rs.13.00 Crores
5	SREI Equipment Fin. Ltd., Vs MPLCP(IB)/12/HDB/2021	Default of payment	Rs.100 Crores
6	SBI Vs SEPL - Mr. AnishNiranjanNanavatyVs MPL(R2)CP/IB/13/7/HDB/2020	Preferred for transactions U/s 25(j), 43 to 51 R/w 66, 67 and 60(5) of IBC, 2016	—
7	M/s. SRI BALAJI ASSOSICATES- MPLCP(IB)No.260/9/HDB/18	Default of payment	Rs.84,00,000

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:

- Maintenance of various statutory registers and documents and making necessary entries there in;
- Closure of Register of Members;
- 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;
- Service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
- Notice of Board and various Committee meetings of Directors;
- The meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- The 30th Annual General Meeting of the Company was held on 5th December 2020;
- Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- Approvals of the Board of Directors, Committee of Directors, Members and Government Authorities, where ever required;
- 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 is under Implementation .

However, Provident Fund commissioner-I of Madhapur, Hyderabad had initiated Proceedings against the Company for the recovery of past old dues relating to the years 2007-2009 & 2009-2014.

- (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 during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year and Trade receivables of Rs. 8,598.04 Lakhs from “SEL” is written off as bad debts during the current year.

I further report that the “ Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) (“The Board”) at Kukatpallyin Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.

I further report that , There are outstanding Loans and advances of Rs 4191.10 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.

I further report that the Company has 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 and the Company is yet to file final GST Returns for the FY 2020-21 in case of a few states.

I further report that “the Company” has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68,662.61 Lakhs and Rs.4,522.22 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 & 2020-21. The Company had initiated for one time settlement (OTP) with the Banks by making the necessary applications.

I further report that in the case of “Ranchi Expressways Ltd (REL)”, a step down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of “the company” on 11-06-2021 and the investigation is under progress.

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.

**For Venkata Krishna&Associates
Company Secretaries**

**Venkata Krishna Reddy Sabbella
Proprietor
(ACS 53083; CP 19542)
UDIN:A053083C000784297**

**Place : Hyderabad
Date : 13.08.2021**

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 events etc.
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

(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)
UDIN:A053083C000784297

Place : Hyderabad
Date : 13.08.2021

ANNEXURE V

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;

Sl. No.	Name of the Director/Key Managerial Personnel	Ratio to Median Remuneration
1	Mr. N. Seethaiah, Managing Director	27.78
2	Mr. Mohammed Shafi, Whole-time Director	15.00
3	Mr. M.S. Sivanand, Company Secretary	1.84
4	Mr. K.Venkateswarlu, Chief Financial Officer	7.29

- (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 -738
- (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.

ANNEXURE VI

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, 2021**

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

As on 31st March 2021, the Board consist of 6 (Six) Directors. There is 1(One) Managing Director, 1(one) Whole-time Directors, 1 (one) Non-Executive & Non-Independent Director and 3(three) Non-executive Independent Directors including 1 (One) chairman and 1(one) Woman Director.

Sl. No.	Name of the Director	Designation	Category
1	Mr. Ramadas Kasarneni	Chairman	Non- Executive & Independent Director
2	Mr. N. Seethaiah	Managing Director	Executive & Non-Independent Director
3	Mr. Mohammad Shafi	Whole-time Director	Executive & Non-Independent Director
4	Mrs. Ch. Lakshmi Kumari	Woman Director	Non- Executive & Woman Independent Director
5	Mr. P. Madhava Rao	Director	Non- Executive & Independent Director
6	Mr. Madhu Malampati	Director	Non-Executive & Non-Independent Director

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

The Board met 4 (Four) times during the financial year 2020-2021. SEBI through vide circular No. SEBI/HO/CFD CMD1/CIR/P/2020/38 dated March 19, 2020, had relaxed the requirement of the maximum stipulated time gap of 120 days between two meetings of the board and Audit Committees of listed entities, as is required under Regulation 17(2) and 18(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations').

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
588	30-07-2020	589	14-09-2020	590	13-11-2020	591	12-02-2021

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 expenditures, sets the strategy of the Company should 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.

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

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

SL. No.	Name of the Director	Board Meetings attended during the financial year (2020-2021)	Attendance at previous AGM held on 05-12-2020
1	Mr. Ramadas Kasarneni	3	No
2	Mr. N. Seethaiah	4	Yes
3	Mr. Mohammad Shafi	4	Yes
4	Mr. P. Madhava Rao	2	No
5	Mrs. Ch. Lakshmi Kumari	4	Yes
6	Mr. Madhu Malampati	4	Yes

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2021 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Sri N. Seethaiah	Managing Director	9	1	0
2	Sri. Mohammad Shafi	Whole-time Director	3	0	0
3	Sri Ramadas Kasarneni	Chairman and Independent Director	3	3	2
4	Smt. Ch. Lakshmi Kumar	Independent Director	4	4	4
5	Sri P. Madhava Rao	Independent Director	3	5	0
6	Sri Madhu Malampati	Non-executive non-independent Director	9	0	0

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

3. CODE OF CONDUCT:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has suitably modified the 'Code of Conduct for Board of Directors, Senior Management and Key Managerial Personnel' (Code of Conduct) and is available on the Company's website. The Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code of Conduct as at 31st March 2021.

4. AUDIT COMMITTEE:

i. Brief description of terms of reference:

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

ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31st March 2021:

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

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 (2) of the Listing Regulations the Audit Committee met 4 (Four) times during the financial year under review, on 30-07-2020, 14-09-2020, 13-11-2020 and 12-02-2021 and the attendance of the members of the Audit Committee as recorded is as under:

SL. No.	Name of the Director	Status	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	4
2	Sri P. Madhava Rao	Member	2
4	Sri. Ramadas Kasarneni	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.

5. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

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

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

ii. Composition and Role of Nomination and Remuneration Committee:

Nomination and Remuneration Committee comprises the following non-executive independent directors as on 31st March 2021:

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 2 (Two) times, during the financial year under review, on 30-07-2020 and 13-11-2020. 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	2
2	Sri. P Madhava Rao	Member	1
3	Sri. Ramadas Kasarneni	Member	1

iv. Remuneration Policy:

The Policy provides for the following:

- Attract, recruit, and retain good and exceptional talent;
- List down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- 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;
- Motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- 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, 2 (Two) 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 2020-2021 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. Mohammad Shafi Whole-time Director	3,00,000/-	-	-	-	36,00,000/-
3	Sri. Ramadas Kasarneni, Independent Director	-	-	-	30,000	30,000
4	Sri. P. Madhava Rao, Independent Director	-	-	-	20,000	20,000
5	Smt. Ch. Lakshmi Kumari, Independent Director	-	-	-	40,000	40,000
6	Mr. Madhu Malampati Non-Executive & Non-Independent Director	-	-	-	40,000	40,000

vi. Details of shareholding of Directors as on 31st March 2021:

As on 31st March 2021, the Company had 2 (Two) Executive Directors, 3 (Three) Non-Executive Independent directors and 1 (One) Non-Executive & Non-Independent Director, the one executive director and one Non-Executive & Non-Independent Director holds equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

SL. No.	Name of the Director	Status	No. of 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. Lakshmi Kumari	Independent Director	Nil	Nil
6	Mr. Madhu Malampati	Non-Executive & Non-Independent Director	24000	0.0325

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

i. Composition of the Committee:

The Stakeholders' Relationship Committee comprises of the following Members as on 31st March 2021.

4. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson

5. Sri P Madhava Rao, Independent Director as Member

6. Sri. Mohammad Shafi, Whole-time Director as Member

ii Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 2 (Two) times during the year on 30-07-2020 and 12-02-2021 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	2
2	Sri. Mohammad Shafi,	Member	2
3	Sri P. Madhava Rao	Member	1

iii. Name and Designation of Compliance Officer: Mr. M.S. Sivanand, 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.

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

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

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

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

7. GENERAL BODY MEETINGS:

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

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

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

iii. Postal Ballot:

Particulars	Date & Time	Venue	Special Resolution passed
30h AGM (2019-2020)	05-12-2020 3.00 PM	Deemed Venue: Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
29th AGM (2018-2019)	21-09-2019 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
28th AGM (2017-2018)	22-09-2018 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil

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 2021 was held on 12th February, 2021.

8. DISCLOSURES:

i. Related Party Transaction (RPT):

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

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

ii. Disqualification of Directors: As on March 31, 2021 none of the Directors of the Company were disqualified under section 164(2) of the Companies Act, 2013. Certification by a company secretary in practice to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. As required under Schedule V Part C Regulation 10 Sub-regulations (i) of SEBI (LODR) Regulations, 2015 disclosure was also made appropriately (Annexure – A).

iii. There is no non-compliance by the Company, penalties, and strictures imposed on the Company by 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 2021 was held on 12th February, 2021.

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 2021. 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.

xii. In terms of sub regulation (k) regulation 10 Part C Schedule V of SEBI (Listing Obligations & Disclosure Requirements) 2015 the total fee for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all the entities in the network firm / network entity of which the Statutory Auditor is a part:

S. No.	Particulars	2020-21 (Rs. In Lac)	2019-20 (Rs. In Lac)
1	Statutory audit fee	8.00	8.00
2.	Tax Audit fee	2.00	2.00
3	GST Audit Fee	3.00	-
Total		13.00	10.00

9. SHAREHOLDER'S COMMUNICATION:

- i. The quarterly financial provisional un-audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarter and fourth quarter duly audited within 60 days as per the Regulation 33 of Listing Regulations. In view of Covid Pandemic SEBI had given circular as on 29-4-2021, according to which SEBI had extended time up to 30-06-2021 for submission of financial results. The company had submitted the same as on 09-07-2021 by giving sufficient reasons for the delay in submission.

The financial calendar events of 2020-2021 relating to quarterly un-audited and quarterly and yearly Audited financial results are as follows:

Financial Results Reporting for the :	For 2020-21 were announced on
1st Quarter ended 30 th June, 2020	14 th September, 2020
2nd Quarter ended 30 th September, 2020	13 th November, 2020
3rd Quarter ended 31 st December, 2020	12 th February, 2021
4th Quarter and financial year ended 31 st March, 2021	09 th July, 2021

- 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_31032021.pdf
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in <https://www.neaps.nseindia.com/NEWLISTINGCORP/> and to Bombay Stock Exchange in <http://listing.bse.india.com>
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.
The Company from time to time made the presentations through video conference to institutional investors and or to the analysts.

10. GENERAL SHAREHOLDER'S INFORMATION:

- i. AGM: Date, Time and Venue:
Date : 30th September, 2021
Day : Thursday
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 2020-2021:
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 2021 are as under-

A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2020	1.93	1.50	25957	77
May, 2020	1.94	1.63	62887	45
June, 2020	2.97	1.70	93834	335
July, 2020	2.71	2.71	600	2
August, 2020	3.34	2.20	189928	312
September, 2020	3.45	2.35	166776	813
October, 2020	3.19	2.50	39633	136
November, 2020	3.36	2.56	66283	285
December, 2020	6.20	3.20	543642	833
January, 2021	6.03	4.55	105137	286
February, 2021	6.86	4.75	432561	1118
March, 2021	7.82	4.85	349118	924

B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares	No. of Trades
April, 2020	2.3	1.5	203025	442
May, 2020	-	-	-	-
June, 2020	-	-	-	-
July, 2020	-	-	-	-
August, 2020	3.05	2.70	124769	199
September, 2020	3.35	2.30	655611	1503
October, 2020	3.05	2.85	69569	180
November, 2020	3.35	2.7	543952	859
December, 2020	5.25	3.20	434716	725
January, 2021	-	-	-	-
February, 2021	6.65	4.6	1089669	2613
March, 2021	7.55	6.8	648699	1134

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, 2021

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	% of Shareholders	In Rs.	% of holding
1 - 5,000	16,222	95.30	94,62,133.00	12.82
5,001 - 10,000	416	2.44	30,97,477.00	4.19
10,001 - 20,000	174	1.02	24,84,540.00	3.36
20,001 - 30,000	69	0.40	17,28,407.00	2.34
30,001 - 40,000	27	0.15	9,51,265.00	1.28
40,001 - 50,000	26	0.15	11,91,835.00	1.61
50,001 - 1,00,000	39	0.22	27,40,937.00	3.71
1,00,001 - Above	48	0.28	5,21,38,346.00	70.65
Total	17021	100.00	7,37,94,940.00	100.00

ix. Dematerialization of shares and liquidity:

7,35,40,130 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,54,810 are in physical form equivalent to 0.35% as on 31st March 2021.

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 Holders	No. of Shares	% to Equity
NSDL	9039	47169209	63.92
CDSL	7927	26370921	35.74
Physical	55	254810	0.35
Total	17021	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:
Mr. M.S.Sivanand
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

11. **LISTING FEES:**

Listing fee has been paid to BSE and NSE within the prescribed time limit as set in the Listing Regulations for the Financial Year 2021-2022.

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

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

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

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

For and on behalf of the Board

Place: Hyderabad
Date : 13-08-2021

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, 2021, Nama Seethaiah, 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 contain statements that might be misleading;
 - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal control if any of which we are aware and steps that we have taken or proposed to take to rectify these deficiencies.
- D. Further, we have indicated to the Auditors and the Audit Committee
 - 1. Significant changes in internal control over financial reporting during the year, wherever applicable;
 - 2. Significant changes in accounting policies during the year and correct information has been disclosed in the notes to the financial statements in IND AS format, wherever applicable and
 - 3. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting, wherever applicable.

(K. Venkateswarlu)
Chief Financial Officer

(N Seethaiah)
Managing Director &
CEO DIN: 00784491

Place : Hyderabad
Date : 13-08-2021

COMPLIANCE OFFICER'S RESPONSIBILITY STATEMENT :

The Compliance Officer (Mr. M. S. Sivanand) confirms as on 31st March, 2021 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 as per listing agreements 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 : 13-08-2021

(M. S. Sivanand)
Company Secretary & Compliance Officer
ACS: 10822

(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, 2021 as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 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**

**(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083C000800687**

**Place: Hyderabad
Date : 13-08-2021**

Annexure - A**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sl.No	Name of the Director	DIN	Date of Appointment in the Company
1	Ramadas Kasaraneni	02182093	13-08-2018
2	Seethaiah Nama	00784491	15-03-1990
3	Lakshimi Kumari Chinthapalli	06942473	09-08-2014
4	Potla Madhava Rao	00385838	24-12-2005
5	Mohammad Shafi	07178265	30-05-2015
6.	Madhu Malampati	00368625	01-04-2020

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

For Venkata Krishna & Associates
Company Secretaries

(Venkata Krishna Reddy Sabbella)
Proprietor
(ACS 53083; CP 19542)
UDIN: A053083C000800654

Place: Hyderabad
Date : 13-08-2021



STANDALONE FINANCIAL STATEMENTS

2020 - 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Madhucon Projects Limited

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the financial statements of **M/s. Madhucon Projects Limited** ("the company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, its loss and cash flows for the year ended on that date.

Basis for Qualified Opinion

- 1) i) "the company" during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year.
- ii) Trade receivables of Rs. 8598.04 Lakhs from SEL" is written off as bad debts during the current year.
- 2) We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for impairment in the value of investments, loans and advances is required.
- 3) We refer to the " Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and
- Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Accounts.
- 4) There are outstanding Loans and advances of Rs 4191.10 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.
- 5) The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 7,07,791/- relating to Financial Years 2008-09 to 2010-11 and 2012-13 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
- 6) "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68,662.61 Lakhs and Rs.4,522.22 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 & 2020-21.
- 7) In the absence of confirmations of Trade Payables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
- 8) The Company is yet to file final GST Returns for the FY 2020-21 in case of a few states. The turnover and input credits are subject to reconciliation
- 9) 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.
- 10) In case of "Ranchi Expressways Ltd (REL)", a step down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of "the company" on 11-06-2021 and the investigation is under progress.

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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 an amount aggregating to Rs. 8,73,824/- relating to Financial Years 2008-09 to 2012-13 from unpaid dividend account to Investor Education and Protection Fund (IEPF).

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

**A. Krishna Rao
Partner
Membership No. 020085
UDIN: 21020085AAAAQL6322**

**Place: Hyderabad
Date: 09-07-2021**

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 2021 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.

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	139.93
2	Professional Tax	PT PAYABLE	2011-12 to 2020-21	66.42
3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2019-20	93.88
4	Sales Tax	Sale Tax payable	2013-14 to 2020-21	82.67
5	Works Contract Tax	Works Contract Tax	2014-15 to 2019-20	601
6	Goods and Service Tax	Goods and Service Tax	2020-21	1.25
7	The Income Tax Act, 1961	Tax Deducted at Source	2020-21	155.56

- b) Details of dues of Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and CESS which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Forum where	Period to which dispute is pending (Rs.in lakhs) relates	Amount involved the amount
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 High Court	2015-16 & 2016-17	8.85
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 (6) 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	35.25
ICICI Bank	0	0	0	0	4,107.30
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
Bank of India	0	0	0	0	42.13
Kotak Mahindra Bank	0	0	0	0	144.00
State Bank of India	0	0	0	0	135.00
Name of the Financial Institution					
SREI Equipment Finance Ltd.	0	0	0	0	508.69

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
Bank of India	0	0	0	0	4171.07
Canara Bank	0	0	0	0	5,758.00
Axis Bank	0	0	0	0	10671.36
ICICI Bank	0	0	0	0	21217.85
State Bank of India	0	0	0	0	4555.75
Oriental Bank of Commerce	0	0	0	0	4853.80
Kotak Mahindra Bank	0	0	0	0	4692.26
IDBI	0	0	0	0	7487.70
Name of the Financial Institution					
SREI Equipment Finance Ltd.	0	0	0	0	4000.00

The company has not issued any debentures during the year.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.
- 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. The Company is not a Nidhi 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 or 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 during the year.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 21020085AAAAQL6322

Place: Hyderabad
Date: 09-07-2021

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 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) 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. 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. 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 securities.
- 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, Goods and 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 they became payable are as follows:

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, 2021, 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: 21020085AAAAQL6322

Place: Hyderabad
Date: 09-07-2021

Madhucon Projects Limited

Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

	Note No.	As at March 31, 2021		As at March 31, 2020	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	4,327.87		4,189.71	
Financial Assets					
Investments	2.2	1,48,838.38		1,71,565.38	
Trade Receivables	2.3	7,864.07		16,428.66	
Loans	2.4	26,646.27		17,103.66	
Others Financial Assets	2.5	24,600.79		15,429.17	
Deferred tax Asset (Net)	2.6	4,438.51		8,421.19	
Other Non-Current Assets	2.7	25,372.58		22,990.10	
Total Non-Current Assets			2,42,088.46		2,56,127.87
Current Assets					
Inventories	2.8	1,316.67		2,785.09	
Financial Assets					
Trade Receivables	2.9	165.54		2,558.69	
Cash and Cash equivalents	2.10	1,011.48		643.15	
Bank Balances other than above	2.11	589.93		577.65	
Loans	2.12	130.16		140.91	
Others Financial Assets	2.13	3,932.14		5,004.47	
Current Tax Asset (Net)		5,928.08		4,837.10	
Other Current Assets	2.14	6,881.46		11,470.00	
Total Current Assets			19,955.46		28,017.06
Total Assets			2,62,043.92		2,84,144.93
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	2.15	740.32		740.32	
Other Equity	2.16	55,588.59		59,235.29	
Total Equity			56,328.91		59,975.61
LIABILITIES					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.17	13.53		1,590.20	
Trade Payables	2.18	12,199.14		11,628.04	
Other Financial Liabilities	2.19	369.47		6,535.45	
Provisions	2.20	104.67		139.90	
Deferred Tax Liabilities (Net)	2.6	-		-	
Other Non-Current Liabilities	2.21	3,256.62		4,798.76	
Total Non-Current Liabilities			15,943.43		24,692.34
Current Liabilities					
Financial Liabilities					
Borrowings	2.22	68,662.61		68,950.31	
Trade Payables	2.23	62,797.26		46,722.81	
Other Financial Liabilities	2.24	15,820.26		13,438.73	
Other Current Liabilities	2.25	39,340.46		41,893.87	
Provisions	2.26	1,007.11		24,031.30	
Current Tax Liabilities (Net)		2,143.88		4,439.96	
Total Current Liabilities			1,89,771.58		1,99,476.98
Total Equity and Liabilities			2,62,043.92		2,84,144.93

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 09, 2021

For and on behalf of the Board

N. Seethaiah

Managing Director

DIN:00784491

Mohammad Shafi

Whole-time Director

DIN:07178265

MS Sivanand

Company Secretary

ACS: 10822

K. Venkateswarlu

Chief Financial Officer

Madhucon Projects Limited

Statement of Profit and Loss for the Year ended March 31, 2021

(Rs. in Lakhs)

	Note No.	Year ended March 31, 2021		Year ended March 31, 2020	
Income					
Revenue from Operations	2.27	64,655.05		54,682.00	
Other Income	2.28	7,190.97		787.07	
Total Income			71,846.02		55,469.07
Expenses					
Cost of Materials Consumed and Work Expenses	2.29	63,442.04		51,044.53	
Employee Benefits Expense	2.30	1,728.40		2,196.08	
Finance Costs	2.31	847.22		1,343.22	
Depreciation and amortization expense	2.1	595.97		836.52	
Other Expenses	2.32	10,288.63		2,536.45	
Total Expenses			76,902.26		57,956.80
Profit Before Tax before Exceptional Items			(5,056.25)		(2,487.73)
Impairment of Investments			-		22,727.00
Profit Before Tax after Exceptional Items			(5,056.25)		(25,214.73)
Tax Expense					
Current Tax (Income Tax)			-		-
Income Tax Refund Received		(5,392.23)			
Deferred Tax		3,982.68		(3,656.98)	
			(1,409.55)		(3,656.98)
Profit for the Year			(3,646.70)		(21,557.75)
Other Comprehensive Income / (Loss)					
Remeasurement of the Defined Benefit Plans		(35.65)		71.00	
Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		-		-	
Other Comprehensive Income / (Loss) for the year (net of taxes)			(35.65)		71.00
Total Comprehensive Income for the Year			(3,682.35)		(21,486.75)
Earnings per share of face value of Rs. 1 each					
Basic and Diluted			(4.94)		(29.21)

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 09, 2021

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

MS Sivanand
Company Secretary
ACS: 10822

Madhucon Projects Limited
Statement of Changes in Equity for the Year ended March 31, 2021
a) Equity Share Capital

(Rs. in Lakhs)

	Number of Shares	Amount
Balance as at April 01, 2018	73,794,940	740.32
Add : Issue of Share Capital	-	-
Balance as at March 31, 2019	73,794,940	740.32
Add : Issue of Share Capital	-	-
Balance as at March 31, 2020	73,794,940	740.32
Add : Issue of Share Capital	-	-
As at March 31, 2021	73,794,940	740.32

b) Other Equity (Rs. in Lakhs)

	Reserves and Surplus			Items of other comprehensive income / (loss)		Total
	Securities	General	Retained	Net gain / (loss) on	Other items	
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			(21,557.75)	-		(21,557.75)
Dividend (Inclusive of Tax on Dividend)						-
Transfer to Reserves						-
Other comprehensive income / (loss) for the year, net of tax				71.00		71.00
Closing Balance as at March 31, 2020	29,313.07	5,061.53	25,193.47	118.92	(451.72)	59,235.28
Profit for the year			(3,646.70)	-		(3,682.35)
Dividend (Inclusive of Tax on Dividend)						-
Transfer to Reserves						-
Other comprehensive income / (loss) for the year, net of tax				35.65		35.65
Closing Balance as at March 31, 2021	29,313.07	5,061.53	21,546.77	154.57	(451.72)	55,588.58

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 : July 09, 2021

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

MS Sivanand
Company Secretary
ACS: 10822

MADHUCON PROJECTS LIMITED
Cash Flow Statement for the Year ended March 31, 2021

(Rs. in Lakhs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	Cash flow from operating activities		
	Profit/(loss) before income tax	(5,056.25)	(2,487.73)
	Adjustments for:		
	Exceptional Item	-	(22,727.00)
	Depreciation and amortisation expense	595.97	836.52
	Dividend and interest income classified as investing cash flows	(78.60)	(20.70)
	Finance costs	847.22	1,343.22
	Change in operating assets and liabilities		
	(Increase)/decrease in trade receivables	10,957.75	7,277.65
	(Increase) decrease in inventories	1,468.41	1,496.42
	(Increase)/decrease in other financial assets	(8,099.30)	(1,556.00)
	(Increase)/decrease in other current and non-current assets	1,115.09	13,058.63
	(Increase) decrease in other bank balances	(12.27)	(337.87)
	Increase/(decrease) in Loans	(9,531.86)	(4,914.63)
	Increase/(decrease) in trade payables	22,037.79	1,287.50
	Increase/(decrease) in other financial liabilities	(26,843.88)	19,522.76
	Increase/(decrease) in other current and non-current liabilities	(6,391.62)	(13,838.66)
	Increase/(decrease) in Non current Investments	22,727.00	-
	Cash generated from operations	3,735.44	(1,059.88)
	Income taxes paid -	-	-
	Net cash inflow from operating activities	3,735.44	(1,059.88)
B	Cash flows from investing activities		
	Payments for property, plant and equipment	(734.13)	(116.78)
	Payments for purchase of investments	-	-
	Dividend paid -	-	-
	Interest received	78.60	20.70
	Net cash outflow from investing activities	(655.53)	(96.08)
C	Cash flows from financing activities		
	Proceeds/(Repayment) of long term borrowings	(1,576.67)	(1,201.22)
	Proceeds from short term borrowings (net)	(287.70)	3,277.74
	Interest paid	(847.22)	(1,343.22)
	Net cash outflow from financing activities	(2,711.58)	733.30
	Net increase/(decrease) in cash and cash equivalents	368.33	(422.66)
	Cash and cash equivalents at the beginning of the financial year	643.15	1,065.81
	Cash and cash equivalents at end of the year	1,011.48	643.15
	Reconciliation of cash and cash equivalents as per the cash flow statement		
		31 March, 2021	31 March, 2020
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents	1,011.48	643.15
	Balances per statement of cash flows	1,011.48	643.15

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 09, 2021

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

MS Sivanand
Company Secretary
ACS: 10822

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 decimals 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;
- ii. Non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. All other items for which the cash effects are investing or financing cash flows.

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

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

1.8 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 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.

1.12 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 recognized 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:

- In the principal market for the asset or liability, or
- 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

MADHUCON PROJECTS LIMITED											(Rs 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 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
Additions	-	-	690.63	7.90	6.45	15.55	-	0.18	13.62	-	734.33
Disposals	-	-	88.41	52.63	0.32	54.11	-	-	-	-	195.46
As at 31 March 2021	1,220.48	21.67	27,669.14	12,428.15	1,333.05	1,876.68	2,216.80	3,436.05	452.57	-	50,654.59
Depreciation											
As at 1 April 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)	-	-	-	-	(1,213.28)
As at 31 March 2019	-	10.52	26,748.97	10,451.81	1,063.16	1,654.92	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
During the year	-	0.27	227.11	261.21	11.13	16.84	1.02	62.24	16.15	-	595.97
Disposals/Adjustments	-	-	(88.41)	(52.63)	(0.15)	(54.08)	-	-	-	-	(195.27)
As at 31 March 2021	-	20.87	26,500.66	10,937.99	1,272.40	1,643.80	2,109.99	3,405.11	435.87	-	46,326.72
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
As at 31 March 2021	1,220.48	0.80	1,168.48	1,490.16	60.65	232.88	106.81	30.94	16.71	-	4,327.87

Notes forming part of Financial Statements

2.2 Investments

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	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	12,22,027,045	1,22,202.70	12,22,027,045	1,22,202.70
Madurai Tuticorin Expressways Limited	88,561,500	8,856.15	88,561,500	8,856.15
Simhapuri Energy Limited	-	-	1,11,780,714	22,727.00
Nama Hotels Private Limited	27,121,200	2,712.12	27,121,200	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		1,48,838.38		1,71,565.38

	As at March 31, 2021		As at March 31, 2020	
	Cost	Market Value	Cost	Market Value
Aggregate market value of Quoted Investments	1.44	6.24	1.44	4.02
Aggregate amount of Unquoted Investments	1,48,836.94	-	1,71,563.94	-
Total	1,48,838.38	-	1,71,565.38	4.02

- (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. Management of the company is of the view that carrying value of the investments and loans and advances are realizable.
- (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 in to 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) 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	
		2020 -21	2019 -20
1	Madurai Tuticorin Expressways Limited	8,85,61,500	8,85,61,500
2	Madhucon Infra Limited	56,44,77,705	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

2.3 Trade Receivables

(Rs. in Lakhs)

Date: 00.06.2021	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Un Secured, Considered good Trade Receivables				
'From Related Parties	7,445.24	-	16,010.01	59.68
'From Others	418.83	165.54	418.66	2,499.01
Total	7,864.07	165.54	16,428.66	2,558.69

2.4 Loans

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Security Deposit	219.82	130.16	223.83	140.91
'Loans to Related Parties	26,426.45	-	16,879.83	-
Total	26,646.27	130.16	17,103.66	140.91

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, 2021 with respect to Nama Investments Limited and NNR Infra Investments Limited are Rs.4,191.10 Lakhs and ` 512.49 Lakhs respectively.

2.5 Other Financial Assets

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Bank Deposits with more than 12 months maturity	568.05	-	554.84	-
Earnest Money Deposits	252.91	-	188.22	-
Retention Money Deposit	2,808.33	1,782.90	3,415.43	3,058.51
Other receivables from Related Parties	8,671.66	254.58	8,369.26	109.83
Advances Recoverable	12,299.85	1,894.67	2,901.42	1,836.13
Total	24,600.79	3,932.14	15,429.17	5,004.47

2.6 Deferred Tax Asset / (Liability) (net)

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Opening Balance	8,421.19	4,764.21
During the year	(3,982.68)	3,656.98
Total	4,438.51	8,421.19

2.7 Other Non-Current Assets

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Capital Advances	-	-	-	-
Advance to suppliers and sub-contractors	15,737.76	6,878.50	13,733.82	11,403.94
Others	6,634.80	-	7,442.00	-
Other Deposits	0.61	1.31	-	2.75
Interest Accrued on Deposits	7.59	-	-	7.59
Advance to Related Parties	2,991.82	1.66	1,814.28	55.73
Total	25,372.58	6,881.46	22,990.10	11,470.00

2.8 Inventories

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	1,316.67	2,206.28
Work-in-Progress	-	578.81
Total	1,316.67	2,785.09

2.9 Trade Receivables

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Un Secured, Considered good Trade Receivables		
'From Related Parties	-	59.68
'From Others	165.54	2,499.01
Total	165.54	2,558.69

2.10 Cash and Cash Equivalents

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	11.33	4.94
Balances with Banks		
In Current Accounts	530.89	581.56
Other Deposits	445.31	32.70
Unpaid Dividend Accounts	23.94	23.94
Total	1,011.48	643.15

2.11 Bank Balances Other than above

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Margin Money and other deposits with banks	589.93	577.65
Total	589.93	577.65

2.12 Loans

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good Security Deposit	130.16	140.91
Loans to Related Parties	-	-
Total	130.16	140.91

2.13 Other Financial Assets

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Retention Money Deposit	1,782.90	3,058.51
Other receivables from Related Parties	254.58	109.83
Advances Recoverable	1,894.67	1,836.13
Total	3,932.14	5,004.47

2.14 Other Current Assets

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Other Deposits	1.31	2.75
Advance to suppliers, sub-contractors and others	6,878.50	11,403.94
Interest Accrued on Deposits	-	7.59
Advance to Related Parties	1.66	55.73
Total	6,881.46	11,470.00

2.15 Equity Share Capital

(Rs. in Lakhs)

	Number of Shares	As at March 31, 2021	Number of Shares	As at March 31, 2020
Authorised				
Equity Shares of ` 1 each	30,00,00,000	30,00.00	30,00,00,000	3,000.00
Redeemable Preference Shares of ` 100 each	20,00,00,000	20,00.00	20,00,00,000	2,000.00
Total		50,00.00		5,000.00
Issued, Subscribed and Called up Capital				
Equity Shares of ` 1 each	7,42,68,940	7,42.69	7,42,68,940	742.69
Fully paid up Capital				-
Equity Shares of ` 1 each	7,37,94,940	7,37.95	7,37,94,940	737.95
Add : Forfeited Shares Amount originally paid up	2,37,250	2.37	2,37,250	2.37
Total		7,40.32		740.32

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

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	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%

(Rs. in Lakhs)

Name of the Share Holders	As at March 31, 2021		As at March 31, 2020	
	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

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	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	25,264.47		46,751.22	
Add : Profit for the Year	(3,682.35)		(21,486.75)	
Translation Movement	-		-	
Less : Appropriations	-		-	
Proposed Dividen	-		-	
Dividend Distribution Tax	-		-	
Transfer to General Reserve	-		-	
Closing Balance		21,582.13		25,264.47
(d) Other Components of Equity				
Remeasurements of the Employee Defined Benefit Plans	83.57		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)	
		(368.15)		(403.79)
Total (a)+(b)+(c)+(d)		55,588.59		59,235.29

2.17 Borrowings

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current Maturities	Non Current	current Maturities
Term Loans				
Secured:				
From Other Parties	13.53	4,508.69	1,590.20	3,749.72
Total	13.53	4,508.69	1,590.20	3,749.72

Notes for Long Term Borrowings From Banks and Financial Institutions**Term Loans from Financial Institutions:**

- (i) Secured by hypothecation of various equipments financed through the loan arrangements from Financial Institutions.

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	27	12.00%	4,508.69	Monthly May 22

2.18 Trade Payables

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
For Supplies and Services	1,311.24	46,683.55	1,614.05	35,332.25
Retention Money Deposits	3,845.57	7,986.20	5,343.95	6,855.97
Others	7,042.33	8,127.51	4,670.04	4,534.59
Total	12,199.14	62,797.26	11,628.04	46,722.81

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

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long Term Borrowings		4,508.69		3,749.72
Interest Accrued and due on Borrowings		1,965.45		1,965.45
Unpaid Dividend Accounts		23.71		23.71
Payable to Related Parties	236.09	-	236.09	-
Other Payables	133.38	9,322.41	6,299.36	7,699.84
Total	369.47	15,820.26	6,535.45	13,438.73

2.20 Provisions

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	72.70	87.45
Compensated absences	31.96	52.45
Total	104.67	139.90

2.21 Other Non-Current Liabilities

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	3,247.90	856.57	4,790.04	2,247.22
Machinery Advance	-	316.26	-	316.26
Material Advance	8.72	8.76	8.72	8.76
Revenue Received in advance	-	141.10	-	279.17
Other Advances from Related Parties	-	38,017.77	-	39,042.45
Total	3,256.62	39,340.46	4,798.76	41,893.87

2.22 Borrowings

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Loans repayable on demand		
Secured:		
From Banks	68,662.61	68,950.31
Total	68,662.61	68,950.31

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.

Outstanding balances as on March 31, 2021

(Rs. in Lakhs)

Name of the Bank	As at March 31, 2021	As at March 31, 2020
ICICI Bank	25,325.15	25,358.90
State Bank of India	4,690.75	4,698.95
Oriental Bank of Commerce	5,103.20	5,249.40
Kotak Mahindra Bank	4,836.26	4,889.92
IDBI Bank	7,835.89	7,848.19
Bank of India	4,213.20	4,220.12
AXIS Bank	10,706.61	10,723.83
Canara Bank	5,951.56	5,961.00
Total	68,662.61	68,950.31

Company has defaulted in repayment of dues to the banks as at 31st March 2021 and all the outstanding loans were classified as NPA by the banks. The company has not provided the interest for the year ended 31st March 2021 on its loans.

Details of delay in repayment of principal and interest to Banks and Financial Institutions as on March 31, 2021

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	1358 - 1723 days	-	-
IDBI Bank	-	-	348.19	850 - 1245 days
Oriental Bank of Commerce	-	-	249.40	486 - 851 days
CICI Bank	-	-	4,107.30	973 - 1338 days
Axis Bank Limited	-	-	35.25	700 days
Canara Bank	-	-	193.00	787 days

2.23 Trade Payables

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
For Supplies and Services	46,683.55	35,332.25
Retention Money Deposits	7,986.20	6,855.97
Others	8,127.51	4,534.59
Total	62,797.26	46,722.81

2.24 Other Financial Liabilities

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of Long term debt	-	-
Current Maturities of Long Term Borrowings	4,508.69	3,749.72
Interest Accrued and due on Borrowings	1,965.45	1,965.45
Unpaid Dividend Accounts	23.71	23.71
Other Payables	9,322.41	7,699.84
Total	15,820.26	13,438.73

2.25 Other Current Liabilities

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Revenue Received in advance	141.10	279.17
Mobilization Advance	856.57	2,247.22
Machinery Advance	316.26	316.26
Material Advance	8.76	8.76
Other Advances from Related Parties	38,017.77	39,042.45
Total	39,340.46	41,893.87

2.26 Provisions

(Rs in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	22.05	22.05
Compensated absences	16.00	16.00
Other Provisions		
Provision for Expenses	-	406.85
Provision for Impairment of Investments	-	22,727.00
Provision for Others	969.06	859.40
Total	1,007.11	24,031.30

2.27 Revenue from Operations

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Income from Contracts and Services	61,525.24	53,305.36
Other Operating Income	3,129.81	1,376.64
Total	64,655.05	54,682.00

2.28 Other Income

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	78.60	20.70
Miscellaneous Income	6,756.39	734.56
Foreign Exchange Gain	355.98	31.82
Total	7,190.97	787.07

2.29 Cost of Materials Consumed and Work Expenses

(Rs in Lakhs)

	Year ended March 31, 2021		Year ended March 31, 2020	
Construction Materials, Stores and Spares				
Opening Stock	2,206.28		3,702.70	
Add: Purchases	8,621.32		8,512.42	
Less : Closing Stock	1,316.67		2,206.28	
Total Consumption		9,510.93		10,008.84
Work Expenses	53,931.11	53,931.11	41,035.69	41,035.69
Total		63,442.04		51,044.53

2.30 Employee Benefits Expense

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & Wages and Bonus	1,535.28	2,030.62
Contribution to provident and other funds	3.08	1.99
Staff Welfare Expenses	190.05	163.47
Total	1,728.40	2,196.08

2.31 Finance Cost

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense	263.72	869.15
Bank Guarantee Commission	583.50	474.07
Total	847.22	1,343.22

2.32 Other Expenses

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	351.94	327.26
Rates & Taxes	373.62	74.81
Travelling Expenses	48.40	120.10
Security Expenses	46.97	52.80
Insurance Charges	135.57	46.27
Consultancy charges	354.59	566.88
Advances written off	53.41	94.48
Other Administrative Expenses	326.10	309.79
Foreign Exchange Loss	-	944.06
Bad Debits Written off	8,598.04	-
Total	10,288.63	2,536.45

2.33 Contingent Liabilities not provided for:

(Rs in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
1	Bank Guarantees**	24,096.32	25,857.16
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)	687.42	6,024.85
4	Income Tax demand contested in appeal	-	11,450.48
5	Entry Tax	8.85	25.82
6	Service Tax	1,655.5	1,655.45
7	Goods and Service Tax	3.28	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:

(Rs in Lakhs)

S.No	Particulars	2020-2021	2019-20
1	Statutory Audit Fee	8.00	8.00
2	Tax Audit Fee	2.00	2.00
3	GST Audit Fee	3.00	0.00

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

(Rs in Lakhs)

Particulars	2020-21	2019-20
Contract revenue recognised	61,525.24	53,305.36
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for Contracts in progress	5,47,512.37	52,245.37
Amount of advances received for contracts in progress	4,348.34	3,691.22
Amount of retention money for contracts in progress	12,237.38	9,569.04
Gross amount due from customers for contracts in progress	8,029.61	7,218.56

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 31 st March, 2021 has been made in the financial statements based on information received and such amount outstanding as on 31 st March, 2021 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:

(Rs in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax available for equity shareholders	(3,646.70)	(21,557.75)
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 (Rs.)	1.00	1.00
Basic and Diluted EPS * (Rs.)	(4.94)	(29.21)

*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	
B.	Step-down Subsidiaries	
3	TN (DK) Expressways Limited	
4	Trichy - Thanjavur Expressways Limited	
5	Chhapra Hajipur Expressways Limited	
6	Barasat-Krishnagar Expressways Limited	
7	Ranchi Expressways Limited	
8	Simhapuri Energy Limited	
9	Madhucon Toll Highways Limited	
10	Vijayawada-Machilipatnam Expressways Ltd	
11	Rajauli Bakthiyapur Expressways Limited	
C.	Associates	
13	Madhucon Properties Limited.	
D.	Enterprises where significant influence exists	
14	Madhucon Estates Limited	
15	Nama Properties Limited	
16	Mana Stone & Sand Private Limited	
17	MBN Anchored Earth Limited	
18	Madhucon Estates Limited	
E.	Joint Ventures	
19	Madhucon Sino-Hydro JV	
20	Madhucon Shreehari Hule JV	
21	MPL SCCPL SSBBC JV	
F.	Key Management Personnel:	
22	Sri Nama Seethaiah	Managing Director
23	Sri Md. Shafi	Whole - Time Director
24	Sri MS Sivanand (w.e.f 07-10-2020)	Company Secretary
25	Sri K Venkateswarlu (w.e.f 01.07.2020)	Chief Financial Officer

(II) Related party transactions during the year as follows

(Rs. in Lakhs)

	2020-21	2019-20
Revenue from Contracts and Services		
Step-down subsidiaries	2,951.39	7.23
Jointly Controlled/entities and ventures	5,100.33	917.34
Remuneration		
Key Management Personnel	81.85	115.81
Director Sitting Fee	1.30	0.70
Loans/Advances Given		
Subsidiaries	2.22	5,155.51
Step-down subsidiaries	1,135.40	37.96
Associates	1,102.48	2,582.18
Jointly Controlled/entities and ventures	-	41.64
Enterprises owned or significantly influenced by key management personnel or their relatives	-	2.38
Loans/Advances Received		
Subsidiaries	-	-
Step-down subsidiaries	329.35	1,700.44
Jointly Controlled/entities and ventures	1,352.87	1,255.38
Retention Money		
Step-down subsidiaries	147.57	0.36
Jointly Controlled/entities and ventures	303.16	0.75
Mobilisation Advance Recovered		
Step-down subsidiaries	-	-

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

(Rs. in Lakhs)

	2020-21	2019-20
Trade Receivables		
Subsidiaries	531.48	533.70
Step-down subsidiaries	9,905.57	15,499.87
Jointly Controlled/entities and ventures	-	36.11
Outstanding Receivables		
Subsidiaries	22,277.15	12,730.54
Step-down subsidiaries	3,427.70	5,148.48
Associates	3,283.49	2,181.01
Jointly Controlled/entities and ventures	4,668.00	4,365.60
Key Management Personnel	55.19	236.24
Enterprises owned or significantly influenced by key management personnel or their relatives	4,763.07	4,866.32

	2020-21	2019-20
Outstanding Payables		
Associates	-	-
Step-down subsidiaries	36,430.91	16,590.12
Jointly Controlled/entities and ventures	1,822.96	3,176.98
Key Management Personnel	1.60	131.17
Enterprises owned or significantly influenced by key management personnel or their relatives	174.70	1,009.14
Corporate Guarantees		
Subsidiaries	9,976.69	2,60,000.00
Bank Guarantees		
Step-down subsidiaries	4,335.00	4,335.00
Jointly Controlled/entities and ventures	8,900.00	8,900.00

2.40 Some of the Bank Accounts at closed projects which are in dormant and have not been reconciliation to non-availability of statements.

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

In terms of our report attached

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

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 09, 2021

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN:00784491

K. Venkateswarlu
Chief Financial Officer

Mohammad Shafi
Whole-time Director
DIN:07178265

MS Sivanand
Company Secretary
ACS: 10822



CONSOLIDATED FINANCIAL STATEMENTS

2020 - 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Madhucon Projects Limited Report on the Consolidated Financial Statements

1. 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, 2021, 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 March 31, 2019, and loss and other comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified opinion

1. i) "the company" during the current year has written off the investments of Rs. 22,727 lakhs held in Simhapuri Energy Limited (SEL) a step down subsidiary, in case of which a provision was made in the previous year.
- ii) Trade receivables of Rs. 8598.04 Lakhs from "SEL" is written off as bad debts during the current year.
2. We refer to the carrying value of investments held in and unsecured loans and advances given by the company to its subsidiaries, which have been incurring losses and in case of some of these companies, net worth was fully or substantially eroded. In the absence of fair valuation of these investments, we are unable to comment upon the carrying value of investments and we are unable to comment whether any provision for

impairment in the value of investments, loans and advances is required.

3. We refer to the "Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh housing Board (Now known as Telangana housing Board) ("The Board") at Kukatpally in Hyderabad. Pending approval from government to start the project, the carrying values of Investments in and Loans Sanctioned to MMMPL amounting to Rs.3,500.00 lakhs and Rs.135.21 Lakhs respectively are shown as realizable at the Values Stated in the Books of Account.
4. There are outstanding Loans and advances of Rs 4191.10 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.
5. The company is yet to transfer unpaid dividend of an amount aggregating to Rs. 7,07,791/- relating to Financial Years 2008-09 to 2010-11 and 2012-13 from unpaid dividend account to Investor Education and Protection Fund (IEPF).
6. "the Company" has defaulted in repayment of dues to Banks and financial institutions amounting to Rs.68,662.61 Lakhs and Rs.4,522.22 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 & 2020-21.
7. In the absence of confirmations of Trade Payables and various advances/loans, we are unable to comment on the extent to which such balances are payable/recoverable.
8. There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax (VAT), 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:

Sl.No.	Name of the Status	Nature of Due	Period	Rs. in Lakhs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2015-16	139.93
2	Professional Tax	PT PAYABLE	2011-12 to 2020-21	66.42
3	The Employees Provident funds and Miscellaneous provision act 1952	Provident fund	2013-14 to 2019-20	93.88
4	Sales Tax	Sales Tax payable	2013-14 to 2020-21	82.67
5	Works Contract Tax	Works Contract Tax	2014-15 to 2019-20	601
6	Goods and Service Tax	Goods and Service Tax	2020-21	1.25
7	The Income Tax Act, 1961	Tax Deducted at Source	2020-21	155.56

9. The Company is yet to file final GST Returns for the FY 2020-21 in case of a few states. The turnover and input credits are subject to reconciliation.
 10. In view of losses incurred by “the company” and in the absence of prior approval from the lender banks and financial Institutions, managerial remuneration paid by the company during the year is in excess of the limits specified under section 197 read with schedule V of Companies Act, 2013,
 11. In case of “Ranchi Expressways Ltd (REL)”, a step down subsidiary of the company, CBI has filed FIR against REL, its Promoters and Directors on 12-03-2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of “the company” on 11-06-2021 and the investigation is under progress.
 12. “Madhucon infra Limited (MIL)”, 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 have not been provided for the financial years 2018-19, 2019-20 & 2020-21. Borrowings from banks and financial institutions are subject to confirmation and reconciliation.
 13. The IFCI Ltd had approved one-time settlement (OTS) of its outstanding dues of Rs. 190.96 Crores vide its letters dated February 24th, 2020. In terms of settlement, OTS amount of Rs. 70 Crores was to be paid by the company in three instalments. However, the company made the payment of two instalments of Rs. 10.5 Crores up to 31st March, 2021.
 14. Madhucon infra Limited, which is a subsidiary to the Company, has made a provision in case of all other subsidiaries 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.
 15. Madhucon Infra Limited which is a subsidiary to the company, balances as at 31 March, 2021 in respect of Some subsidiaries are subject to reconciliation.
- 3. Emphasis of Matter**
- Madhucon Heights Private limited, which is a subsidiary to “the company”, the accumulated losses have completely eroded the Net worth of the company. The company has suffered recurring Losses. The accounts of the company have been prepared on the basis of going concern assumption. However, the eroded Net worth will significantly affects the company's ability to continue as a going concern unless it raises capital in order to fund its operations.
4. The independent auditors of “Barasat-Krishnagar Expressways Limited (‘BKEL’)” which is a step-down subsidiary to the Company, have given “Opinion”/ “Emphasis of Matter Paragraph” / “Other Matter Paragraph” in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Opinion:

Due to termination of the project of the company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to 31-3-2021 at Rs. 5,79,55,85,497/-including the Cost and expenses incurred on and for the project 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 Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets and understatement of loss for the year accordingly and Cumulative loss to that extent. Further, no interest has been provided for on the borrowings from institutions.

Emphasis of Matter:

- 1) We draw attention to note no. 1 in the financial statements "The construction work is delayed due to pending approvals and right of way to be provided by NHAI. The Company had issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI had also issued notice for terminations of the project vide its letter dated 3rd May, 2016 and the company had replied that the notice is not valid. Both Company and NHAI appointed arbitrators. The Arbitration proceeding are in progress with SAROD.

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

An amount of Rs.15775.00 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity. Our opinion is not modified in respect of these matters.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

5. The independent auditors of "Rajauli-Bakthiyarpur Expressways Limited ('RBEL') which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

Project of the Company has been foreclosed with mutual consent, therefore, going concern assumption is not appropriate and financial statements have been drawn accordingly. As the project of the company has been foreclosed with mutual consent, cost incurred on the project up-to 31st March, 2021 Rs.8,15,39,853/- instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Indian accounting standard Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.8,15,39,853/- and understatement of cumulative loss by the same amount.

The Company is continuing to expect the reliasation of the expenses incurred on the project recoverable

within a period of 12 months. However, it is not materialised so far.

An amount of Rs.747.00 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions. Our audit opinion is not modified in respect of the above.

6. The independent auditors of "Vijayawada-Machilipatnam Expressways Limited (VMEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

Vijayawada — Machilipatnam Expressways Limited (VMEL), a Public Limited Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Ktn.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.

All the expenditure incurred during the year has been shown as claim receivable from NHAI and is subject to ratification by NHAI

In view of the above an amount of Rs 68,77,165/- , 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 68,77,165/- and understatement of cumulative loss by the same amount. However, NHAI has terminated the contract. The Company is not confident of discharging it's liabilities in the normal course of business from the available funds.

Transactions of group companies routed through the company have no relevance to the business activities of this company. This has resulted in the increase in the current assets and liabilities of the company.

An amount of Rs.83.50 lacs hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

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.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

7. The independent auditors of "Madurai Tuticorin Expressways Limited (MTEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" / "Report on Other Legal and Regulatory Requirements" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

MADHURAI-TUTICORIN Expressways Limited (MTEL) 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.

An amount of Rs.106.47 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The provision for MMR has not been provided in accordance with the future requirements as estimated

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Report on Other Legal and Regulatory Requirements

- a. The Company has pending litigation at the Madurai Bench of The Honorable High Court of Madras, Bench made by Bus Owner's Association against Madurai plaza to direct the concessionaire to collect 50% of toll fee. However the Honorable High Court ordered to collect 70% of toll fee from 21.12.2018 onwards till the relevant section of NH-45 B toll highway has been fully relied as per the specifications in the Concession Agreement.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. No deferred tax provisions have been made in view of the estimation of inadequate revenue in future to adjust the same.
8. The independent auditors of "Chhapra- Hajipur Expressways Limited (CHEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

Chhapra- Hajipur Expressways Limited (CHEL), a Public Limited 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.

Items previously classified under Other Equity amounting to Rs.2,16,56,84,448/- are now reclassified under Long term borrowings resulting in decrease of Other Equity and increase of Long term borrowings

The amount spent on project is shown as receivable from NHAI, but it should be treated as intangible assets and be shown as such

Subject to Ind AS adjustments carried out during the year

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of th company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

9. The independent auditors of "TrichyThanjavur Expressways Limited (TTEL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" /"Other Matter Paragraph" in their audit report, on the financial statementsfor the year ended March 31,2021 which are reproduced below:

Emphasis of Matter:

TRICHY-THANJAVUR Expressways Limited (TTEL) hastaken loans from banks. Now those loans became NPAs.

Interest on such loans has been provided for till the day of becoming NPAs in previous years and to the extent interest has been paid afterwards. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.

OTS has been made with only one State Bank of India [ex State Bank of Hyderabad].

An amount of Rs. 50.00 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The amounts due to the company and due by the company are continued to be classified as current assets and current liabilities, while they are due for more than 12 months.

The provision for MMR has not been provided in accordance with the future requirements as estimated.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

10. The independent auditors of "TN (DK) Expressways Limited (TNDK)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

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. Interest on such loans has been provided for till the day of becoming NPAs and to the extent interest has been paid afterwards. Hence, interest has not been recognized for part of the year on both long term and short term portions of loans.

An amount of Rs.19.05 Crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

The provision for MMR has not been provided in accordance with the future requirements as estimated.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

11. The independent auditors of "Ranchi Expressways Limited (REL)" which is a step-down subsidiary to the Company, have given "Emphasis of Matter Paragraph" / "Other Matter Paragraph" in their audit report, on the financial statements for the year ended March 31, 2021 which are reproduced below:

Emphasis of Matter:

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, Build, Operate, Finance and Transfer of 4 laneing of Ranchi-Rangoan-Jamshedpur section of NH-33 from KM 114.00 to Km 277.500 in the state of Jharkand on annuity basis for a concession period of 15 years. This contract was awarded by NHAI. The company shall hand over the Project Highway to NHAI on expiry of concession period.

The company has achieved physical progress of 50.24% and approached NHAI for One Time Fund Infusion (OTFI) for completion of the remaining stretch. NHAI has initially sanctioned an amount of Rs.223 Crs as One Time Fund Infusion and subsequently NHAI has gone back by cancelling the already sanction OTFI amount of Rs.223 Crs. Lenders and the company have preferred One Time Settlement (OTS) with NHAI for the works already completed.

While negotiations are going on for OTS proposal, NHAI has terminated the Concession Agreement on 30/01/2019 without following the termination procedure laid down in the Concession Agreement [as informed by the company]. Since project got terminated, Lenders are seeking for One Time Settlement. Company and Lenders agreed and requested the NHAI to refer the matter to Conciliation Committee of Independent Engineers (CCIE).

The NHAI had given the consent for referring the matter to CCIE vide its letter dated 18-04-2019. The company has submitted the claim with NHAI. The proceedings of CCIE were commenced on 25-09-2019 as informed by the management. It is also informed that Arbitration Proceedings have also commenced. CBI has filed FIR against the Company, Promoters and Directors on 12/03/2019 under Prevention of Corruption Act and Indian Penal Code. Subsequently, the Enforcement Directorate has raided the premises of the company on 11-6-2021 and the investigation is under progress.

An amount of Rs.404.23 crores hitherto shown as part of other equity from group companies has been now reclassified as Long term borrowings and the same have been reclassified and regrouped in previous years for comparison purpose resulting in the overstatement of long term borrowings and corresponding understatement of Equity.

Cost incurred on the project up-to 31st March, 2021 Rs. 12,96,14,16,023/- 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. 12,96,14,16,023/- 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. Our opinion is not modified in respect of these matters.

Other Matters:

Further to the continuous spreading of COVID-19 across India, there was a virtual & non movement of people various state governments announced a strict lockdown in the month of May, 2021 and further extended to control the spread of virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire of audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific considerations while conducting distance audit/remote audit/online audit under COVID-19 situation" We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

12. 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.

13. 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.

14. Other Matter Paragraph

- a) We did not audit the financial statements and other financial information of one subsidiary and seven step down subsidiaries included in the statement, whose financial statements together comprise total assets, before elimination, of Rs.3,92,286.48 Lakhs as at March 31, 2021, total Revenue of Rs.31,341.80 Lakhs, total Loss & total Comprehensive Income of Rs. 32,099.93 Lakhs and net cash flows amounting to Rs. 5,344.77 lakhs for the year then ended. The financial statements and other financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our audit opinion on the consolidated financial statements is solely based on the reports of the other auditors.
- b) The financial statements and other financial information of PT Madhucon Indonesia, a Foreign step down subsidiary of the company included in the statement, is unaudited, whose financial statements comprise total assets, before elimination, of Rs.8,911.83 Lakhs as at March 31, 2021, total Revenue of Rs.46.2 Lakhs, total Loss & total Comprehensive Income of Rs. 22.81 Lakhs and net cash flows amounting to Rs. 7.28 lakhs for the year then ended. The Financial statements / financial information of this company have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Foreign step down subsidiary, and our report in terms of sub sections (3) and (11) of section 143 of the Act, in so far it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information.

- c) "The company" is preparing consolidation with its subsidiaries and step down subsidiaries. "MIL", subsidiary of "the company", is preparing only standalone financials and no consolidation with its subsidiaries is done by "MIL", reference to the notification issued by MCA dated 27-07-2016 and also Rule 6 of section 129(3) of the Companies Act, 2013.
- d) The Consolidated Financial Statements of "the company" for the year ended 31st March, 2021, does not include the financial statements/financial results of "Simhapuri Energy Limited"(SEL) a stepdown subsidiary of the company, 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).

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.

15. 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 an amount aggregating to Rs. 8,73,824/- relating to Financial Years 2008-09 to 2012-13 from unpaid dividend account 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: 21020085AAAAQN1652**

**Place : Hyderabad
Date : 09-07-2021**

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 2021, 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, 2021, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statements of one subsidiary, seven step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and step down subsidiaries incorporated in India.

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

A Krishna Rao
Partner
Membership No: 020085
UDIN: 21020085AAAAQN1652

Place : Hyderabad
Date : 09-07-2021

Madhucon Projects Limited
Consolidated Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

	Note No.	As at March 31, 2021		As at March 31, 2020	
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	2.1	10,622.70		12,431.03	
Capital Work-in-Progress	2.1	15,013.41		15,090.00	
Intangible Assets	2.1a	64,254.46		1,11,146.15	
(v) Intangible Assets under Development		46,333.14	-		
Investment Properties		41.36		61.46	
Financial Assets					
Investments	2.2	75,338.03		97,080.64	
Trade Receivables	2.3	451.82		-	
Loans	2.4	1,072.55		5,909.75	
Others Financial Assets	2.5	74,737.37		81,203.66	
Deferred Tax Assets (Net)	2.4	4,438.51		3,180.54	
Other Non-Current Assets	2.6	26,423.43		12,415.87	
Total Non-Current Assets			318,726.78		3,38,519.10
Current Assets					
Inventories	2.7	1,479.27		2,935.21	
Financial Assets					
Investments		64.07		43.29	
Trade Receivables	2.8	447.44		11,701.02	
Cash and Cash Equivalents	2.9	6,460.24		8,090.84	
Bank Balances other than above	2.10	589.93		577.65	
Loans	2.11	130.16		140.90	
Others Financial Assets	2.12	1,85,669.25		94,134.86	
Current Tax Asset (Net)	2.13	6,202.73		22,199.35	
Other Current Assets	2.14	13,692.95		18,288.15	
Total Current Assets			2,14,736.04		1,58,111.27
Total Assets			5,33,462.82		4,96,630.37
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.15	740.32		740.32	
Other Equity	2.16	(1,90,160.04)		(2,43,839.86)	
Less : Profit / (Loss) from Associates		982.39	-		
Equity Attributable to Shareholders of the Company			(1,88,437.33)		(2,43,099.54)
Non-Controlling Interests			(9,735.00)		(6,666.02)
Total Equity			(1,98,172.33)		(2,49,765.56)
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Borrowings	2.17	239,123.40		177,603.90	
Trade Payables	2.18	12,204.57		11,635.13	
Other Financial Liabilities	2.19	1,537.50		6,533.31	
Provisions	2.20	33,571.93		17,991.45	
Deferred Tax Liabilities (Net)		-		-	
Other Non-Current Liabilities	2.21	3,256.62		4,798.76	
Total Non-Current Liabilities			289,694.02		218,562.55
Current Liabilities					
Financial Liabilities					
Borrowings	2.22	133,918.26		221,387.79	
Trade Payables	2.23	63,373.40		47,613.80	
Other Financial Liabilities	2.24	70,601.57		62,223.17	
Other Current Liabilities	2.25	83,372.10		64,178.19	
Provisions	2.26	88,530.38		111,030.32	
Current Tax Liabilities (Net)		2,145.42		21,400.11	
Total Current Liabilities			4,41,941.13		5,27,833.38
Total Equity and Liabilities			5,33,462.82		4,96,630.37

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

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

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 09, 2021

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

MS Sivanand
Company Secretary
ACS: 10822

Madhucon Projects Limited

Consolidated Statement of Profit and Loss for the Year ended March 31, 2021

(Rs in Lakhs)

	Note No.	Year ended "March 31, 2021"		Year ended March 31, 2020	
Revenue					
Revenue					
Revenue from Operations	2.27	90,916.23		73,413.08	
Other Income	2.28	12,484.10		4,603.57	
Total Revenue			1,03,400.33		78,016.65
Expenses					
Cost of Materials and Work Expenses	2.29	88,842.92		60,650.20	
Changes in inventory and work-in-progress		889.61		1,496.42	
Employee Benefits Expense	2.30	2,792.85		3,530.72	
Finance Costs	2.31	24,570.33		15,028.49	
Depreciation and amortization expense	2.10	12,871.32		7,157.74	
Other Expenses	2.32	1,994.51		3,047.04	
Total Expenses			1,31,961.54		90,910.61
Profit before Exceptional and Extraordinary Items and Tax			(28,561.21)		(12,893.96)
Exceptional Items			-		97,027.06
Share of (Loss) from Associate Company			982.39		-
Profit Before Tax			(27,578.82)		(1,09,921.02)
Tax Expense					
(i) Current Tax		-		-	
(ii) Adjustment of Tax relating to earlier periods		(5,392.23)		-	
(iii) Deferred Tax		3,982.68		1,583.67	
			(1,409.55)		1,583.67
(Loss) / Profit for the Year			(26,169.27)		(1,11,504.69)
Attributable to					
Shareholders of the Company			(23,339.24)		(1,06,582.94)
Non-Controlling Interests			(2,830.05)		(4,921.29)
Other Comprehensive Income					
(a) Re-Classification of Employee Defined Benefit Obligation			(35.65)		204.36
(b) Exchange differences on translation			-		-
Other Comprehensive Income for the Year			(35.65)		204.36
Total Comprehensive (Loss) / income for the year			(26,204.92)		(1,11,300.33)
Attributable to					
Shareholders of the Company			(23,374.90)		(1,06,378.58)
Non-Controlling Interests			(2,830.05)		(4,921.31)
Shareholders of the Company			(35.66)		204.36
Non-Controlling Interests			-		-
Total Comprehensive Income			(23,374.90)		(1,06,378.58)
Earnings per share of Face Value of ` 10/- each					
Basic and Diluted			(31.63)		(144.43)

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

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

Place : Hyderabad
Date : July 09, 2021

K. Venkateswarlu
Chief Financial Officer

MS Sivanand
Company Secretary
ACS: 10822

Madhucon Projects Limited
Statement of Changes in Equity for the Year ended March 31, 2021
a) Equity Share Capital

	Number of Shares	Amount
Balance as at April 01, 2020	7,37,94,940	740.32
Add : Issue of Share Capital	-	-
As at March 31, 2021	7,37,94,940	740.32

b) Other Equity

(Rs. 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 (Loss) / Profit for the year Transfer to General Reserve Dividend (Inclusive of Tax on Dividend) Other comprehensive income / (loss) for the year, net of tax Adjustments on account of Consolidation Other Movement	29,313.07	5,061.53	(1,84,376.14) (106,327.71)	13,222.33	366.55	(1,36,412.66) (1,06,327.71)	(1,744.73) (4,921.29)
Opening Balance as at April 01, 2020 (Loss) / Profit for the year Dividend (Inclusive of Tax on Dividend) Transfer to Reserves Adjustments on account of Consolidation Profit from Associates Other comprehensive income / (loss) for the year, net of tax	29,313.07	5,061.53	(2,90,703.85) 66,496.15	12,027.99	461.39	(2,43,839.87) 66,496.15	(6,666.02) (2,830.05)
Closing Balance as at March 31, 2021	29,313.07	5,061.53	(2,23,225.31)	41.21	(368.15)	(1,89,177.65)	(9,735.00)

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

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 09, 2021

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

K. Venkateswarlu
Chief Financial Officer

MS Sivanand
Company Secretary
ACS: 10822

Madhucon Projects Limited
Consolidated Cash Flow Statement for the Year ended March 31, 2021 (Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
A Cash flow from operating activities		
(Loss) / Profit before tax	(27,578.83)	(109,920.56)
Adjustments for:		
Depreciation and amortisation expense	12,871.32	7,157.74
Dividend Income	(0.74)	(0.86)
Interest Income	(105.64)	(47.16)
Impairment	-	97,027.06
Finance costs	24,570.33	15,028.49
	37,335.27	1,19,165.27
Operating Profit Before Working Capital Changes	9,756.43	9,244.71
Change in Working Capital		
(Increase)/decrease in Trade Receivables	10,801.76	(8,034.22)
(Increase)/decrease in Inventories	1,455.93	3,353.16
(Increase)/decrease in Other Financial Assets	(85,081.30)	67,202.61
(Increase)/decrease in Other Current and Non-Current Assets	6,584.26	2,133.36
Increase/(decrease) in Loans	4,847.95	(44,157.16)
Increase/(decrease) in Trade Payables	16,329.09	(18,092.12)
Increase/(decrease) in Other Financial Liabilities	(2,018.79)	(61,315.04)
Increase/(decrease) in Other Current and Non-Current Liabilities	(8,523.52)	(9,033.02)
Cash generated from operations	(45,848.18)	(58,697.72)
Income taxes paid	(5,392.23)	-
Net cash from operating activities	(40,455.95)	(58,697.72)
B Cash flows from investing activities		
Purchase of Property, Plant and Equipment including CWIP	(10,417.57)	293,645.55
Change in Capital Reserve and others	(7,194.41)	-
Purchase of Investments	-	167.01
Due to Derecognition of Simhapuri	1,01,474.32	(9,407.19)
(Increase) / decrease in other bank balances	(25.49)	(145.49)
Dividend Received	0.74	0.85
Interest Received	105.64	47.16
Net cash used in investing activities	83,943.24	284,307.89
C Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	66,921.97	(205,835.44)
Proceeds from short term borrowings (net)	(87,469.53)	-
Interest paid	(24,570.33)	(15,028.49)
Net cash used in financing activities	(45,117.89)	(2,20,863.93)
Net increase/(decrease) in cash and cash equivalents	(1,630.60)	4,746.25
Cash and cash equivalents at the beginning of the financial year	8,090.85	3,344.59
Cash and cash equivalents at end of the year	6,460.24	8,090.84
Reconciliation of cash and cash equivalents as per with the Balance Sheet		
Cash and cash equivalents	6,460.24	8,090.84
Cash and Cash Equivalents end of the Year	6,460.24	8,090.84

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

N. Seethaiah
Managing Director
DIN:00784491

Mohammad Shafi
Whole-time Director
DIN:07178265

Place : Hyderabad
Date : July 09, 2021

K. Venkateswarlu
Chief Financial Officer

MS Sivanand
Company Secretary
ACS: 10822

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 decimals 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 2019.

Subsidiaries:

Entity which is directly or indirectly controlled by Parent Company is treated as subsidiary. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Parent Company starts consolidation of a subsidiary when it obtains control over the subsidiary (directly or indirectly) and ceases when it loses control (directly or indirectly) of the subsidiary.

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 information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

- (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.

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 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.

1.15 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.

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.

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.

1.21 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) Lease 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

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:

- In the principal market for the asset or liability, or
- 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

(Rs. in Lakhs)

Particulars	Land	Buildings	Plant & Machinery"	Tipper & Trucks"	Vehicles	Centering Materials"	Temporary Structures	Furniture & Fixtures"	Office Equipment	Computers	Total	Capital Work-In Progress"	Soft ware	Carriage Way	Total
Cost															
As at 1 April, 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	58,140.54	15,165.51	6.51	1,77,913.88	2,51,226.44
Additions	-	0.50	242.54	-	27.84	0.39	-	18.34	10.67	15.70	315.98	48.19	2.37	101.34	467.88
Disposals / Adjustments	-	-	(2,398.62)	(290.84)	(164.41)	-	-	-	-	(13.15)	(2,867.02)	(123.70)	-	(11,605.36)	(14,596.08)
As at 31.03.2020	6,659.71	62.27	26,525.21	12,472.87	2,222.03	2,216.80	3,437.85	1,412.73	76.30	503.73	55,589.50	15,090.00	8.88	1,66,409.86	237,098.24
Additions	-	-	802.97	7.90	42.92	-	0.18	6.75	30.21	26.73	917.66	-	2.01	-	919.67
Disposals / Adjustments	-	0.85	(2,117.94)	(52.62)	(54.10)	-	-	(0.33)	0.01	(3.85)	(2,227.97)	(76.59)	-	-	(2,304.56)
As at 31.03.2021	6,659.71	63.12	25,210.24	12,428.15	2,210.85	2,216.80	3,438.03	1,419.15	106.52	526.61	54,279.19	15,013.41	10.89	1,66,409.86	235,713.35
Depreciation															-
As at 1 April 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	47,116.99	-	6.22	43,878.88	91,002.09
Depreciation	-	11.43	226.15	277.60	116.82	79.98	73.68	200.74	10.89	34.36	1,031.65	-	0.06	6,126.02	7,157.73
Disposals / Adjustments	-	-	(4,905.96)	-	(71.04)	-	-	-	-	(13.15)	(4,990.15)	-	-	5,261.41	271.26
As at 31.03.2020	-	37.68	23,258.51	10,729.41	1,839.41	2,108.98	3,344.85	1,335.40	31.39	472.86	43,158.49	-	6.28	55,266.31	98,431.08
Depreciation	-	0.57	282.88	261.21	37.30	1.02	62.24	13.67	12.37	23.63	694.89	-	0.85	12,175.58	12,871.32
Disposals	-	-	(88.41)	(52.63)	(54.08)	-	-	(0.15)	0.35	(1.97)	(196.89)	-	(0.09)	(11,615.78)	(11,812.76)
As at 31.03.2021	-	38.25	23,452.98	10,937.99	1,822.63	2,110.00	3,407.09	1,348.92	44.11	494.52	43,656.49	-	7.04	55,826.11	99,489.64
Net Block															
As at 31 March 2020	6,659.71	24.59	3,266.70	1,743.46	382.62	107.82	93.00	77.33	44.91	30.87	12,431.01	15,090.00	2.60	1,11,143.55	1,38,667.16
As at 31 March 2021	6,659.71	24.87	1,757.26	1,490.16	388.22	106.80	30.94	70.23	62.41	32.09	10,622.70	15,013.41	3.85	1,10,583.74	1,36,223.71

2.2 Investments

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
1) Investment in Equity Instruments		
(i) Subsidiaries:		
In Shares of ` 10 each, fully paid up (otherwise specified)		
Simhapuri Energy Limited	74,300.06	97,027.06
Madhucon Natural Resources Limited (Singapore)	0.21	0.21
Shares of S\$ 1/-each		
Others-Subsidiary Companies*		
(ii) Associates:		
In Shares of ` 10 each, fully paid up (otherwise specified)		
Madhucon Agra Jaipur Expressways Limited	3.12	3.12
Madhucon Properties Limited	984.39	-
Others-Associate Companies*	-	-
(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	75,338.03	97,080.64

2.3 Trade Receivables

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Un Secured, Considered good				
- From Related Parties	32.99			-
From Others	418.83	447.44	-	-
Total	451.82	447.44	-	-

2.4 Loans

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Loans to Related Parties				
Security Deposits	751.14	130.16	249.94	140.90
Others	321.41	-	5,659.81	-
Total	1,072.55	130.16	5,909.75	140.90

2.5 Other Financial Assets

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unsecured, considered good				
Bank Deposits with maturity more than 12 months	568.05	-	554.84	-
Earnest Money Deposits	252.91	-	188.22	-
Retention Money Deposit	5,124.29	-	3,416.49	-
Receivable under service concession arrangements	56,222.06	-	75,982.00	-
Advances Recoverable	12,570.06	-	1,888.10	-
Receivable From Others	-	2,710.19	(825.99)	1,798.96
Receivable From NHAI	-	4,383.52	-	4,365.75
Claims Receivable from NHAI	-	175,567.46	-	83,427.11
Retention Money Deposit	-	1,958.12	-	3,258.21
Total	74,737.37	184,619.29	81,203.66	92,850.03

2.6 Other Non-Current Assets

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Capital Advances	938.55	-	10.36	-
Advance to suppliers and sub-contractors	15,737.76	551.90	5,903.46	12,352.96
Others	9,747.12	-	6,502.05	-
Prepaid Expenses	-	14.19	-	19.45
Prepaid Insurance	-	76.62	-	21.95
Interest Accrued on Deposits	-	-	-	7.59
Statutory Dues Receivable	-	647.27	-	575.27
Total	26,423.43	1,289.98	12,415.87	12,977.22

2.7 Inventories

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Raw Materials	1,479.27	2,356.40
Work-in-Progress	-	578.81
Total	1,479.27	2,935.21

2.8 Investments

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
In Immovable Properties	40.20	20.10
In Mutual Funds	23.87	23.19
Total	64.07	43.29

2.9 Trade Receivables

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Un Secured, Considered good		
- From Related Parties	-	8,659.45
From Others	447.44	3,041.57
Total	447.44	11,701.02

2.10 Cash and Cash Equivalents

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	177.20	33.67
Balances with Banks		
In Current Accounts	5,281.70	7,495.48
In Deposit Accounts with Maturity less than 3 months	977.40	537.75
Unpaid Dividend Accounts	23.94	23.94
Total	6,460.24	8,090.84

2.11 Bank Balance other than above

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Margin money and other deposits with banks	589.93	577.65
Total	589.93	577.65

2.12 Loans

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good Security Deposit	130.16	140.90
Total	130.16	140.90

2.13 Other Financial Assets

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Receivable From Others	2,710.19	1,798.96
Receivable From NHAI	4,383.52	4,365.75
Other receivables from related parties	1,049.96	1,284.83
Claims Receivable from NHAI	1,75,567.46	83,427.11
Retention Money Deposit	1,958.12	3,258.21
Total	1,85,669.25	94,134.86

2.14 Other Current Assets

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	14.19	19.45
Prepaid Insurance	76.62	21.95
Interest Accrued on Deposits	-	7.59
Advance to suppliers, sub-contractors and others	551.90	12,352.96
Statutory Dues Receivable	647.27	575.27
Advances to related parties	5,532.22	5,310.93
Advances other than Capital Advances	6,870.75	-
Total	13,692.95	18,288.15

2.15 Equity Share Capital

(Rs. in Lakhs)

	Number of Shares	As at March 31, 2021	Number of Shares	As at March 31, 2020
Authorised Equity Shares of Rs. 1/- each	450,00,00,000	4,50,000.00	450,00,00,000	4,50,000.00
Total		4,50,000.00	-	4,50,000.00
Issued, Subscribed and Called up Capital Equity Shares of Rs. 10/- each		-	-	-
Fully paid up Capital				
Equity Shares of Rs. 1/- each	Equity Shares of Rs. 1/- each	737.95	Equity Shares of Rs. 1/- each	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

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	128,77,77,045	1,28,777.70	1,28,77,77,045	1,28,777.70
Add: Equity Shares allotted during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Balance at the end of the year	128,77,77,045	1,28,777.70	1,28,77,77,045	1,28,777.70

b) Terms/ Rights attached to Shares:

The Company has only one class of paid-up equity shares having par value of ` 10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees only. The Dividend proposed by the Board of Directors is subject to approval of the shareholders in 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) 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

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
(a) Securities Premium		29,313.07		29,313.07
(b) Capital Reserve				
Less: Capital Grant Defferment				
(b) General Reserve				
Opening Balance	5,061.53		5,061.53	
Add: Additions during the year		-		-
Closing Balance		5,061.53		5,061.53
(c) Surplus in Statement of Profit and Loss				
Opening Balance	(2,90,703.85)		(1,84,376.14)	(1,84,376.14)
Add: Profit for the Year	(32,985.94)		(1,06,582.94)	(1,06,582.94)
Add: Capital Grant Defferment	(2,005.12)		-	-
Correction in Profit and Loss	1,01,487.21		255.23	
Less: Appropriations				
Proposed Dividend	-		-	
Dividend Distribution Tax	-		-	
Transfer to Reserves	-		-	
Closing Balance		(2,24,207.70)		(2,90,703.85)
Other Components of Equity				
Remeasurements of the defined benefit plans and others	(228.13)		21.43	
Exchange differences in translating the financial	(140.02)		133.37	
Increase/(Decrease) in borrowing cost pursuant			71.00	
to application of Effective Interest rate method	-		235.59	
		(368.15)		461.39
(d) Reserves on Consolidation		3,851.21		12,027.99
Equity Component of Unsecured Loan	(3,810.00)	(3,810.00)		-
Total		(1,90,160.04)		(2,43,839.87)

2.17 Borrowings

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured:		
Debentures	-	-
Term Loans		
From Banks	2,13,038.19	1,41,419.09
From Others	24,929.10	30,508.91
Funded Interest Term Loan		
From Banks	-	-
From Financial Institutions	-	-
	68.37	-
Unsecured:		
Loans from related parties	-	4,933.13
From Financial Institutions	1,087.74	742.77
Total	2,39,123.40	1,77,603.90

Madhucon Infra Limited

Notes forming part of the consolidated financial statements

(i) Madhucon Infra Limited

1) Total amount payable as at 31.03.2021 to IFCI was Rs. 180,46,40,983.00 as per books of accounts. The company 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.10.50 Cr and it was adjusted towards principle amount. The company has requested time to revise the OTS amount. The proposal is under process.

i) The company has submitted one time settlement proposal with ICICI .

ii) No Interest has been provided on the amounts payable to ICICI & IFCI for the current FY 2020-21

(ii) Chhapra - Hajipur Expressways Limited

As on 31.02.2021, an amount of Rs 216.57 Crores has been reclassified as long term borrowing which is hiterto classified as other equity

Consequential prior year grouping have been changed.

i) Term loan from banks - The loan is repayable in 17 semiannual unequal instattments starting from June 2022

ii) NHAI Loan - The loan is repayable at the time of receipt of semi annuities after PCOD.

iii) Unsecured Loan - Repayment shall be made only after the Final Settlement date, on which all the Secured Obligations have been discharged

Terms of Security of secured term

Indian Rupee Term Loans Consists of Loans borrowed from a consortium of 05 bankers & from NHAI as per common loan agreement dated 03-12-2010 for an amount of Rs.585 crores, and further enhanced loan facility agreement dated on 30-01-2016 for an amount of Rs.176.83 crores, further enhanced loan facility agreement dated on 09-01-2018 for an amount of Rs.171.99 crores and from NHAI as per tripartite agreement dated on 21-10-2016. During the year the company has not provided the interest on to the term loans due to term loans became NPA. And interest has been provided for loan from NHAI.

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 03-12-2010 and enhanced loan facility agreement dated 30-01-2016 and 09-01-2018.

(iii) Ranchi Expressways Limited

Terms of Security of Secured Term Loans

Indian Rupee Term Loans Consists of Loans borrowed from a consortium of 13 bankers & one financial institution as per common loan agreement dated 31-10-2011. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master amendment to common loan agreement dated 28-03-2017.

Interest is not provided during the financial year due to the Term Loans became NPA

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 31-10-2011 and amendment to common loan agreement dated 28-03-2017

Terms of Repayment - Un Secured Loan from Related Parties

The unsecured loans are provided by the promoters of the company as per common loan agreement with Senior Lenders by way of Sub-ordinate loan such sub-Ordinate loans interest and principle repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

(iv) TN (DK) Expressways Limited

Terms of Repayment of Secured Loan:

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 4 banks as per common loan agreement dated 11.10.2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 30.03.2013. During the company has not provided interest.

Terms of Security:

The company has executed loan documents and created security as per common loan agreement dated 11.10.2006 and master restructure agreement dated 30.03.2013.

Terms of Repayment of Unsecured Loans:

The unsecured loans are provided by the promoters of the company as per common loan agreement with senior lenders by way of subordinate loan. Such sub-ordinate loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

(v) Madurai-Tuticorin Expressways Limited

Terms of Repayment - Secured Loans

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution as per common loan agreement dated 13.01.2007. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 28.03.2013. During the year the company has closed one Term Loan Account, which was availed from SBI. The company has not provided interest

Terms of Security

The company has executed loan documents and created security as per common loan agreement dated 13.01.2007 and master restructure agreement dated 28.03.2013

Terms of Repayment - Unsecured Loan - from related parties

The unsecured loans are provided by the promoters of the company as per the common loan agreement with Senior Lenders by way of Sub-ordinate loan. Such Sub-Ordinate loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders

(vi) Trichy-Thanjavur Expressways Limited

Terms of Repayment - Secured Loans

Indian rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution as per common loan agreement dated 02.12.2006. The entire outstanding debt as per common loan agreement was re-structured and the loan amount was payable as per master restructure agreement dated 28.03.2013. During the year the company has closed one term Loan account, which was availed from SBI. The company has not provided interest.

Terms of Security

The company has executed loan documents and created security as per common loan agreement dated 02.12.2006 and master restructure agreement dated 28.03.2013.

Terms of Repayment- Unsecured Loan - from related parties

The unsecured loans are provided by the promoters of the company as per the common loan agreement with senior lenders by way of sub-ordinate loan. Such sub-ordinated loans interest and principal repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

Terms of Repayment- Unsecured Loan - from others

The company has availed loan from M/s innovations Payment Services Limited and the amount was utilised for closing the term loan account availed from SBI.

(vii) Barasat-Krishnagar Expressways Limited

Terms of Repayment - Secured Loan

Indian Rupee Loans Consists of Loans borrowed from a consortium of 7 bankers & one financial institution as per common loan agreement dated 26-09-2011. The entire outstanding debt as per common loan agreement was amended and the loan amount was payable as per master agreement dated 24-06-2015. During the year the company has not closed the any term loan account. the company has not provided the interest during the financial year.

Interest is not provided during the financial year due to the term loans became NPA.

Terms of Security

The Company has executed loan documents and created security as per common loan agreement dated 26-09-2011 and master agreement amended on dated 24-06-2015

Terms of Repayment - Un Secured Loan from Related Parties

The unsecured loans are provided by the promoters of the company as per common loan agreement with Senior Lenders by way of Sub-ordinate loan such sub-Ordinate loans interest and principle repayment shall be made after final settlement date. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

2.18 Trade Payables

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
For supply and Services	1,316.67	46,683.55	1,618.11	35,866.11
Retention Money Deposits	3,845.57	7,986.20	5,343.95	7,066.20
Others	7,042.33	-	4,673.04	4,534.59
Total	12,204.57	54,669.75	11,635.10	47,466.90

2.19 Other Financial Liabilities

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Current Maturities of Long Term Borrowings	-	51,026.99	-	45,624.51
Interest Accrued and due on Borrowings	-	5,673.18	-	7,682.17
Interest accrued but not due	-	1,965.45	-	-
Other Payables	1,537.50	10,366.50	6,533.31	8,005.84
Unpaid Dividends	-	23.71	-	23.71
Total	1,537.50	69,055.83	6,533.31	61,569.82

2.20 Provisions

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	10,535.07	165.12
Compensated absences	46.32	71.10
Provision for Major Maintenance and Repairs	22,990.54	17,755.23
Total	33,571.93	17,991.45

2.21 Other Non-Current Liabilities

(Rs. in Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Mobilization Advance	3,247.90	33,567.23	4,790.04	2,247.22
Material Advance	8.72	8.76	8.72	8.76
Machinery Advance	-	316.26	-	316.26
Statutory Dues Payable	-	3,578.86	-	3,051.39
Other Liabilities	-	45,759.89	-	58,014.33
Revenue Received in Advances	-	141.10	-	279.17
Total	3,256.62	83,372.10	4,798.76	63,917.13

2.22 Borrowings

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured:		
Loans repayable on demand		
From Banks	1,21,729.39	2,03,472.59
From Others	12,188.87	17,915.20
Total	1,33,918.26	2,21,387.79

2.23 Trade Payables

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
For Supplies and Services	46,683.55	35,866.11
Due to Other Payables	8,330.95	-
Related Parties	372.70	146.89
Retention Money Deposits	7,986.20	7,066.20
Others	-	4,534.59
Total	63,373.40	47,613.79

2.24 Other Financial Liabilities

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Borrowings	51,026.99	45,624.51
Interest Accrued and due on Borrowings	5,673.18	7,682.17
Interest accrued but not due	1,965.45	-
Trade Payables	1,545.74	34.27
Other Payables	10,366.50	8,005.84
Payables to Related Parties	-	852.67
Unpaid Dividends	23.71	23.71
Total	70,601.57	62,223.17

2.25 Other Current Liabilities

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	3,578.86	3,051.39
Other Liabilities	45,759.89	58,014.33
Material Advance	8.76	8.76
Machinery Advance	316.26	316.26
Mobilization Advance	33,567.23	2,247.22
Revenue Received in Advances	141.10	279.17
Other advances from related parties	-	261.06
Total	83,372.10	64,178.19

2.26 Provisions

(Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	73.40	88.75
Compensated absences	31.59	26.38
Provision for Expenses	-	406.85
Provision for Major Maintenance and Repairs	80,166.06	1,02,331.31
Provision for Periodic Maintenance	8,259.33	8,177.03
Total	88,530.38	1,11,030.32

2.27 Revenue from Operations

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Operating Income		
Income from Contracts and Services	68,529.73	54,165.65
Toll Fee Collection	15,766.91	17,856.78
Other Operating Income		
Sale of Metal, Scrap & Others	9.52	1,390.65
Others	6,610.07	-
Total	90,916.23	73,413.08

2.28 Other Income

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	105.64	47.16
Miscellaneous Income	11,144.65	2,595.46
Capital Grant Defferment	1,233.07	1,960.09
Dividend Income	0.74	0.86
Total	12,484.10	4,603.57

2.29 Cost of Materials and Work Expenses

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Other Materials	-	4,122.54
Stores and Spares	8,621.32	4,389.88
Work Expenses	80,221.60	52,137.78
Total	88,842.92	60,650.20

Changes in Work-in-progress and Stock

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock	2,206.28	3,702.70
Opening Work-in-Progress	-	-
Closing Stock	(1,316.67)	(2,206.28)
Closing Work-in-Progress	-	-
(Increase)/Decrease in Work-in-Progress	889.61	1,496.42

2.30 Employee Benefits Expense

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries & Wages Bonus and Provident Fund	2,538.14	3,303.43
Staff Welfare Expenses	254.71	227.29
Total	2,792.85	3,530.72

2.31 Finance Cost

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense	23,986.83	14,554.42
Bank Guarantee Commission	583.50	474.07
Total	24,570.33	15,028.49

2.32 Other Expenses

(Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Administrative Expenses	556.12	796.51
Insurance Charges	162.22	68.77
Consultancy charges	415.40	661.50
Rent, Rates & Taxes	807.36	481.72
Advances written off	53.41	94.48
Foreign Exchange Loss	-	944.06
Total	1,994.51	3,047.04

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

(Rs. in Lakhs)

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:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Bank Guarantees**	24,096.32	2,694.00
Disputed Sales Tax (on appeal)	687.42	687.42
Entry Tax	8.85	25.81
Service Tax	1,655.50	1,655.75
Income-tax demand contested in appeal	-	11,450.48
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.

(Rs. in Lakhs)

S.No	Name of the entity	No of Shares pledged as at 31.03.2021	No of Shares pledged as at 31.03.2020
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	53,94,77,705	56,44,77,705
4	Simhapuri Energy Limited	7,15,220,236	7,15,220,236
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	6,04,87,600	6,04,74,600
8	Trichy-Thanjavur Expressways Limited	4,59,30,000	4,59,30,000
9	Chhapra-Hajipur Expressways Limited	4,74,96,637	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, 2021:

(Rs. in Lakhs)

	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liabilities		
Timing difference on account of Depreciation and amortization	798.13	(476.44)
Deferred Tax Asset		
Business loss/Unabsorbed depreciation	3,640.58	3,656.98
Deferred Tax Asset / (Liability) (net)	4,438.51	3,180.54

2.37 Disclosure in accordance with Ind AS 11 Construction contracts

(Rs. in Lakhs)

	2020-21	2019-20
Contract revenue recognized	61,525.24	53,305.36
Aggregate of contract costs incurred and recognised profits (less recognised losses) up to the reporting date for Contracts in progress	5,47,512.37	52,245.37
Amount of advances received for contracts in progress	4,348.34	3,691.22
Amount of retention money for contracts in progress	12,237.38	9,569.04
Gross amount due from customers for contracts in progress	8,029.61	7,218.56

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, 2021 has been made in the Financial Statements based on the information received and such amount outstanding as on March 31, 2021 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:

(Rs. in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Net Loss after tax available for equity shareholders	(23,374.90)	(1,06,378.57)
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 * ()	(31.63)	(144.43)

*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	Madhucon Estates Limited
2	Nama Properties Limited
3	Mana Stone & Sand Private Limited
4	Madhucon Mineral Resources Limited
5	MBN Anchored Earth Limited
B.	Joint Ventures
6	Madhucon Sino-Hydro JV
7	Madhucon Shreehari Hule JV
8	MPL SCCPL SSBBC JV
C.	Key Management Personnel
9	Sri Nama Seethaiah
10	Sri K. Srinivasa Rao
11	Sri Md Shafi
12	Sri Nama Krishnaiah

II. Related party transactions during the year as follows

(Rs. in Lakhs)

	2020-21	2019-20
Revenue from Contracts and Services	5,100.33	924.57
Remuneration		
Key Management Personnel	81.85	140.07
Sitting Fee	1.30	0.70
Loans/Advances Given		
Associates	1,102.48	2,582.18
Enterprises owned or significantly influenced by key management personnel	-	1,104.59
Loans/Advances Received		
Jointly Controlled/entities and ventures	1,352.87	1,255.38
Retention Money		
Jointly Controlled/entities and ventures	303.16	0.75

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

(Rs. in Lakhs)

	2020-21	2019-20
Trade Receivables		
Trade Receivables		
Jointly Controlled/entities and ventures	-	314.71
Outstanding Receivables		
Associates	3,283.49	2,181.01
Jointly Controlled/entities and ventures	4,668.00	6,546.51
Key Management Personnel	55.19	236.24
Enterprises owned or significantly influenced by key management personnel or their relatives	4,763.07	4,866.32
Outstanding Payables		
Associates	-	20,206.15
Jointly Controlled/entities and ventures	1,822.96	3,176.88
Key Management Personnel	1.60	131.17
Enterprises owned or significantly influenced by key management personnel or their relatives	174.70	1,009.14
Bank Guarantees		
Jointly Controlled/entities and ventures	8,900.00	8,900.00

Note No. 4 The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies. The closing balance as at March 31, 2021 with respect to Nama Investments Limited and NNR Infra Investments Limited are ` 4,191.10 Lakhs and ` 512.49 Lakhs respectively.

- (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. 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, 2021 Rs. 57,955.85 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, 2021 ` 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 to initiate arbitration proceedings for the expenses incurred for the project till date.
- (v) “Vijayawada-Machilipatnam Expressways Limited” (VMEL 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 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). NHAI has not provided 80% of the Land. Later, the agreement for the said project was terminated by NHAI.

Cost incurred on the project up to March 31, 2021 ` 68.77 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 it’s 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 2 nd 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 Jharkand on annuity basis for a concession period of 15 years . This contract was awarded by NHAI.

The company has achieved physical progress of 61.47% 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 ` 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 and Arbitration proceedings have also commenced.

Cost incurred on the project up to March 31, 2021 ` 1,29,614.16 Lakhs instead of writing off has been accounted as claims receivable under the head “other current assets”

2.42 Segment Reporting

The details of primary segment information for the year ended March 31, 2021 and March 31, 2020 are given below:

The Group is currently focused on three business segments Construction, Power and Toll Collection (Rs. in Lakhs)

	As at 31.03.2021	As at 31.03.2020
Segment Revenue		
Construction	68,529.73	54,762.53
Energy - -		
Toll Highways	15,766.91	17,870.30
Others	6,619.59	860.29
Less : Inter Segment Revenue	-	(80.53)
Total	90,916.23	73,413.09
Segment Results before Interest and Taxes		
Construction	(3,008.21)	(1,725.35)
Energy	-	-
Toll Highways	(692.11)	4,737.25
Others	(290.58)	(876.91)
Total	(3,990.89)	2,134.99
Less : Interest Expenses	24,570.33	15,028.49
Profit Before Tax	(28,561.22)	12893.50
Segment Assets*		
Construction	4,65,480.83	2,22,595.45
Energy	-	-
Toll Highways	4,27,795.54	1,23,963.68
Others	19,225.47	2,36,203.08
Less : Inter Segment Elimination	(3,79,039.05)	(2,15,038.41)
	5,33,462.79	3,67,723.80
Segment Liabilities**		
Construction	5,10,794.10	4,80,026.33
Energy -		
Toll Highways	5,78,555.26	1,25,420.74
Others	21,324.82	2,16,995.19
Less : Inter Segment Elimination	(3,79,039.05)	(96,159.25)
	7,31,635.13	7,26,283.01

* 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.

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

In terms of our report attached

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

A.Krishna Rao
Partner
Membership Number 020085

Place : Hyderabad
Date : July 09, 2021

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

MS Sivanand
Company Secretary
ACS: 10822

PART A: Subsidiaries

(Rs. in Lakhs)

S.No.	Name of Subsidiary	Financial Year	Reporting 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	31-03-21	INR	1,28,777.70	1,12,095.21	1,77,842.58	1,94,525.07	1,94,525.07	1,92,304.33	141.01	-5,897.89	-	-5,897.89	94.89%
2	Madhucon Toll highways Limited	31-03-21	INR	35,888.10	-381.22	2.78	35,509.06	35,509.06	34,066.81	-	-0.59	-	-0.59	99.98%
3	Madurai Tuticorin Expressways Limited	31-03-21	INR	16,365.00	-34,928.39	78,754.45	60,191.06	60,191.06	-	11,682.85	-5,049.63	-	-5,049.63	54.12%
4	Trichy Thanjavur Expressways Limited	31-03-21	INR	6,465.00	-14,526.24	35,962.03	27,900.78	27,900.78	-	6,093.78	-707.12	-	-707.12	76.10%
5	TN (DK) Expressways Limited	31-03-21	INR	7,466.00	-11,619.26	28,002.66	23,849.40	23,849.40	-	4,743.53	2,836.53	-	2,836.53	50.97%
6	Chhappra Hajipur Expressways Limited	31-03-21	INR	6,418.38	-71,864.05	1,27,376.68	61,931.01	61,931.01	-	6,821.64	-23,506.29	-	-23,506.29	54.23%
7	Ranchi Expressways Limited	31-03-21	INR	8,080.00	-20,946.12	1,51,735.04	1,38,868.92	1,38,868.92	-	-	-	-	-	99.94%
8	Barasat-Krishnagar Expressways Limited	31-03-21	INR	4,340.00	-122.71	73,149.16	77,366.45	77,366.45	-	-	-	-	-	99.98%
9	Rajauli-Bakhtiyarpur Expressways Limited	31-03-21	INR	25.00	-11.03	802.86	816.83	816.83	-	-	-0.35	-	-0.35	83.20%
10	Vijayawada Machilipatnam Expressways Limited	31-03-21	INR	45.00	-274.68	1,591.70	1,362.01	1,362.01	-	-	-	-	-	80.44%
11	Nama Hotels Private Limited	31-03-21	INR	2,713.12	5,382.64	11.48	8,107.55	8,107.55	-	-	(0.30)	-	(0.30)	99.96%
12	Madhucon Heights Private Limited	31-03-21	INR	3.00	(1,946.76)	9,459.77	7,516.01	7,516.01	-	19.21	(18.96)	-	(18.96)	66.67%
13	Madhucon Mega Mall Private Limited	31-03-21	INR	3.00	3,461.77	137.14	3,601.17	3,601.91	-	3.25	2.99	-	2.99	66.67%
14	PT Madhucon Indonesia	31-03-21	INR	7,227.17	(3,952.85)	4,967.39	8,241.70	8,241.70	206.19	-64.88	-	-	64.88	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 2021.

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	31.03.2021	20,000	2.00	33.33	Due to % of Shareholding	-28	(0.22)	

[illegible]

