MADHUCON

PROJECTS LIMITED

AN ISO-9001 : 2008 COMPANY









27th ANNUAL REPORT 2016-2017



MADHUCON PROJECTS LIMITED

27th ANNUAL REPORT
2016-2017

MADHUCON

MADHUCON PROJECTS LIMITED

(CIN: L74210TG1990PLC011114)

Board of Directors:

Sri N. Seethaiah
Managing Director

Sri K. Srinivasa Rao
Whole-time Director

Sri Mohammad Shafi
Whole-time Director

Sri P. Madhava Rao
Independent Director

Smt. Ch. LakshmiKumari
Woman-Independent Director

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.

Registrar & Share transfer Agents:
Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31- 32, Gachibowli,
Financial District, Nanakramguda
Hyderabad-500032

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

Auditors:
P. Murali & Co.,
Chartered Accountants,
(FRN007257S)
6-3-655/2/3,
Somajiguda,
Hyderabad - 500036

NOTICE

To
The Members,
Madhucon Projects Limited

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Madhucon Projects Limited will be held on Saturday the 23rd Sept, 2017 at 3.00 pm at the Registered Office of the Company situated at Madhu Complex 1-7-70, Jublipura, Khammam-507003 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a) the Audited Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2017 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, 2017 together with the report of the Auditors thereon.
2. To declare dividend @ 10% (Ten Percent) i.e. 10 paisa for each share of Rs 1/- each. on equity shares for the financial year 2016-17
3. 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 in accordance with the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 that the appointment of P. Murali & Co, Chartered Accountants (FRN 007257S), Hyderabad on 05th July, 2017 as Statutory Auditors of the Company on the recommendations of the Audit Committee of the Company be and hereby ratified and approved for the Financial Year 2017-18 and to hold the office until the conclusion of the 28th Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. **Ratification for the Re-appointment of Sri K. Srinivasa Rao 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 K. Srinivasa Rao as Whole time Director of the Company for a period of five years with retrospective effect from 15.11.2015 on monthly Managerial Remuneration of Rs.2,50,000/- (Rupees two lakh fifty thousand 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. **Approval for the remuneration of the Cost Auditor for the financial year ending on March 31st, 2018:**

   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(Rupees One Lakh fifty Thousand only) inclusive of all taxes payable to 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 March 31st, 2018, 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."

By Order of the Board
For Madhucon Projects Limited

N Seethaiah
Managing Director
DIN:00784491

Place: Hyderabad
Date: 11/08/2017

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members separately.
3. A member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy form is attached herein.

   A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote at this Annual General Meeting as per Section 113 of the Companies Act, 2013.
5. In case of Joint shareholders attending the Meeting, only such joint holder whose name stands first on the Register in respect of such share will be entitled to vote.
6. Members who hold shares in the physical form and wish to make/ change nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit their request to the Company in Form No. SH.13.
7. Members who are holding shares in physical form are requested to dematerialize their physical shareholdings with Depository Participants (DP) in order to facilitate the benefit of electronic trading.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy Computershare Private Limited (RTA).
9. Members, who have not registered their e-mail addresses so far and holding shares in electronic form are requested to register their e-mail address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to register their e-mail address to the Company / Karvy Computershare Private Limited (RTA) for receiving all communication including Annual Report, Notices etc.

10. The Register of Members and Share Transfer Books will remain closed from 18th September, 2017 to 23rdSeptember, 2017 (inclusive of both days) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
11. Dividend on Equity Shares, if declared, will be paid to the members whose names appear in the Company's Register of Members on 18th September, 2017; in respect of shares held in electronic mode, the dividend will be paid to the beneficiaries as per the details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
12. Dividend, if any remained unpaid or unclaimed for a period of 7 years or more, will be transferred to "Investor Education and Protection Fund" pursuant to the provisions of the Companies Act and thereafter, no claim shall lie against such fund or against the Company.
13. The Shareholders who have not encashed their dividend for the financial year 2009-2010 to 2015-2016 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.
14. Members may also note that the copy of notice of this Meeting and the Annual Report for the financial year 2016-17 will also be available on the website of the Company www.madhucon.com

ANNEXURE:

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

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

Item No.4: Ratification of Re-Appointment of Sri K. Srinivasa Rao as Wholetime Director of the Company:

Sri K. Srinivasa Rao who is a Promoter Director since 21st November, 2005, Re-appointed by the Board of Directors at its Board meeting held on 28.03.2017 on the recommendations of the Remuneration Committee appointed him as Wholetime Director of the Company for a period of 5 years w.e.f. 15.11.2015 on a monthly remuneration of Rs. 2,50,000/- inclusive of all allowances and perquisites, subject to concurrence of Shareholders and compliance of all applicable provisions of the Companies Act, 2013. Sri K. Srinivasa Rao is holding 10,09,000 Equity shares in the Company representing 1.37% of total Paid-Up Equity Capital of the Company.

Your Board of Directors recommend for ratification of the re-appointment of Kamma Srinivasa Rao for your approval in the interest of the Company.

Item No. 5: Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2018:

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of 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, 2018.

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, 2018, as set out in the Ordinary Resolution in Item No. 5.

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

By Order of the Board
For Madhucon Projects Limited

N Seethaiah
Managing Director
DIN:0078449

Place: Hyderabad
Date: 11/08/2017

DIRECTORS REPORT

Your Directors have pleasure in presenting the 27th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2017.

1) FINANCIAL SUMMARY

Rs. In Lakhs

Sl.No.	Particulars	Standalone Year Ended		Consolidate Year Ended	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Audited)	(Audited)	(Audited)
	PART-I				
1	**Income from Operations:**				
	(a) Net Sales/ Income from Operations	69,307.24	71,777.56	1,57,641.67	2,59,942.58
	(b) Other income	1,727.99	2,087.80	2,538.89	10,125.56
	Total Income	**71,035.23**	**73,865.36**	**1,60,180.56**	**2,70,068.14**
2	**Expenses:**				
	(a) Cost of Materials Consumed	45,926.95	50,166.12	1,09,864.16	1,59,281.63
	(b) Purchase of Stock-in-trade	-	-	-	-
	(c) Changes in Inventory of Finished goods Work-in-Progress and stock-in-trade	579.55	(809.72)	416.64	(1,532.56)
	(d) Employee benefits expense	4,543.41	3,796.07	4,731.90	4,211.27
	(e) Other expenses	4,686.08	3,860.84	6,174.71	3,443.83
	(f) Financial Costs	9,825.63	10,548.51	75,090.49	74,834.52
	(g) Depreciation and amortisation expense	2,513.55	3,227.51	26,924.52	22,216.32
	Total Expenses	**68,075.17**	**70,789.33**	**2,23,202.42**	**2,62,455.00**
3	**Profit Before Tax**	**2,960.06**	**3,076.03**	**(63,021.86)**	**7,613.14**
4	**Tax Expense**				
	a) Current Tax	1,265.00	687.51	1,265.00	4,988.52
	b) Deferred Tax	129.65	151.78	129.65	156.81
	Total Tax (a+b)	**1,394.65**	**839.29**	**1,394.65**	**5,145.33**
5	**Net Profit After Tax**	**1,565.42**	**2,236.75**	**(64,416.51)**	**2,467.81**
	Less: Share of Minority Interest	**-**	**-**	(8,060.92)	(409.60)
	Profit/(Loss) after Tax after Minority Interest	**1,565.42**	**2,236.75**	**(72,477.43)**	**2,058.21**
	Share of Profit or Loss from Associated Companies	-	**-**	(0.15)	(3.63)
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	**1,565.42**	**2,236.75**	**(72,477.58)**	**2,054.58**
6	**Other Comprehensive Income**	186.30	(293.10)	6.67	(271.45)
7	**Total Comprehensive Income (7+8)**	**1,751.72**	**1,943.65**	**(72,470.91)**	**1,783.12**
8	Paid up equity share capital (Face Value of Rs.1/- each)	737.95	737.95	737.95	737.95
9	Other Equity	**77,576.10**	**75,845.11**	**(82,931.00)**	**(29,631.09)**
10	**(i) Earning per share of Re.1/- each (not annualised)**	-	-	-	-
	(a) Basic	2.37	2.63	(98.21)	2.42
	(b) Diluted	2.37	2.63	(98.21)	2.42

2) EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as **ANNEXURE I** to this report.

3) BOARD MEETINGS

The Board met 19 (Nineteen) times during the financial year 2016-2017. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting	Date	Meeting	Date	Meeting	Date	Meeting	Date
548	15.04.2016	553	11.07.2016	556	05.10.2016	561	24.01.2017
549	30.04.2016	554	10.08.2016	557	20.10.2016	562	01.02.2017
550	28.05.2016	555	10.09.2016	558	14.11.2016	563	09.02.2017
551	30.05.2016			559	21.12.2016	564	10.02.2017
552	20.06.2016			560	31.12.2016	565	14.02.2017
						566	28.03.2017

4) 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, 2017; 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 2017 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.

5) 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 2016-2017.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.

6) DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

7) NOMINATION AND REMUNERATION POLICY

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

8) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

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.

9) 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.

10) STATE OF THE COMPANY'S AFFAIRS

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

11) DIVIDEND

Your Director's are pleased to recommend an equity Dividend 10% on paid up capital for the year ended 31.03.2017 subject to approval of the members at this Annual General Meeting.

12) CHANGES IN EQUITY

During the year, the Company has adopted IND AS format in terms of the notification of MCA dated 06.04.2016 the reserves and surpluses of the company are being re- allocated as other equity which stood at Rs 775.76 crores as on 31.03.2017 and Rs 758.45 Crores for the year ended 31.03.2016.

Statement of Charges to Equity

STANDALONE — **In Rupees**

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

13) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

15) RISK MANAGEMENT

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

16) CORPORATE SOCIAL RESPONSIBILTY (CSR) POLICY

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

a) The policy on Corporate Social Responsibility (CSR) and

b) Implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy by the Board of Directors.

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

17) FORMAL ANNUAL EVALUATION

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

18) REPORT ON THE PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES /ASSOCIATES/JOINT VENTURES COMPANIES

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

19) CONSOLIDATION OF ACCOUNTS

In compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015 and Listing Agreement entered into with the Stock Exchanges and in compliance with the provisions of the Companies Act, 2013 and the Ind AS 28 Investments in Associates & 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, 2017, duly audited by the Statutory Auditors which forms part of the Annual Report.

The Annual Accounts of the Subsidiary Companies and the related information will be made available to shareholders, who may be interested in obtaining the same at any point of time. The Annual Accounts of Subsidiary Companies will also be kept for inspection by any shareholder at the Registered Office of the Company and also at its Subsidiary Companies.

20) DETAILS OF DIRECTORS AND KEY MANANGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR

Sri.Kamma Srinivasa Rao, Wholetime Director was reappointed with retrospective effect from 15/11/2015 for a further period of 5 (five) years and Mr. Vijay Raghav Ganga Raju Venkata, CFO & CS was resigned on 19/05/2017

21) VIGIL MECHANISM

The Company has established Vigil Mechanism for Directors / Employees to report their genuine concerns or grievances. The Audit Committee of the Company oversees the vigil Mechanism through the Committee. It

provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. It also provides for direct access to the Chairman of the Audit Committee. In case of repeated frivolous complaints, the suitable action will be initiated by the Chairman of the Audit Committee.

22) 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 2016-17, the Company received no complaints on sexual harassment.

23) 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.

24) 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 2017.

25) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of the following members as on 31st March 2017:

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri N. Seethaiah, Managing Director as Member
3. Sri Madhava Rao Potla, Independent Director as Member

26) COMPOSITION OF STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of the following members as on 31st March 2017:

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

27) STATUTORY AUDITORS AND THEIR REPORT

P. Murali & Co., Chartered Accountants (FRN 007257S) are appointed as Statutory Auditors of the Company for the Financial Year 2017-18 in place of Kota & Company (FRN01192S) whose tenure was completed.

28) 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, 2017 and ending on 31st March, 2018.

29) 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, Smt. Rakhi Agarwal Practicing Company Secretary (FCS 7047 and CP No.6270) has been appointed as Secretarial Auditors of the Company for the financial year 2016-17 to carry out the Secretarial Audit and issue report there on. Secretarial Audit report as issued by Smt. Rakhi Agarwal Practicing Company Secretary is annexed to this Report as **ANNEXURE VI**

30) 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 Stock Exchanges within the prescribed time limit as set in Regulation 14 of Listing Regulations for the Financial Year 2017-2018.

31) PARTICULARS OF EMPLOYEES

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

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

32) CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

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

33) APPRECIATIONS

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

For and on behalf of the Board

Place: Hyderabad
Date: 11/08/2017

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-00022855

ANNEXURE –I

Form No. MGT- 9

As on financial year ended on 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name of the Company and CIN	% of shares held	Applicable Section
1	Madhucon Infra Limited (CIN: U45200TG2006PLC049235)	94.89	2(87)
2	Madurai-Tuticorin Expressways Limited (CIN-U45203TG2006PLC050114)	54.12	2(87)
3	Madhucon Mega Mall Private Limited (CIN-U45400TG2007PTC056734)	66.66	2(87)
4	Nama Hotels Private Limited (CIN-U55101TG2007PTC056818)	99.96	2(87)
5	Madhucon Heights Private Limited (CIN-U45209TG2007PTC056733)	66.66	2(87)
6	Simhapuri Energy Limited (CIN-U40101TG2005PLC048264)	12.15	2(87)
7	TN(DK) Expressways Limited (CIN- U45200TG2006PLC048941)	0.13	2(87)
8	Trichy-Thanjavur Expressways Limited (CIN- U45200TG2006PLC049815)	0.15	2(87)
9	Chhapra-Hajipur Expressways Limited (CIN- U45209TG2010PLC068742)	0.16	2(87)

10	Barasat-Krishnagar Expressways Ltd (CIN- U45203TG2011PLC073469)	0.03	2(87)
11	Ranchi Expressways Limited (CIN- U45209TG2011PLC073568)	0.017	2(87)
12	Vijayawada – Machilipatnam Expressways Limited (CIN- U45209AP2011PLC077676)	1.78	2(87)
13	Rajauli-Bakhtiyarpur Expressways Limited (CIN- U45203TG2012PLC080775)	4.80	2(87)
14	Madhucon Properties Limited (CIN: U45200TG2005PLC045366)	33.33	2(6)
15	Madhucon Toll Highways Limited (CIN- U93000TG2008PLC060479)	0.00	2(87)

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

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	31018595	0	31018595	42.03	31018595	0	31018595	42.03	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	12416943	0	12416943	16.83	12416943	0	12416943	16.83	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	**43435538**	**0**	**43435538**	**58.86**	**43435538**	**0**	**43435538**	**58.86**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3651254	0	3651254	4.95	1744505	0	1744505	2.36	2.59
b) Banks / FI	77706	0	77706	0.10	39151	0	39151	0.05	0.06
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FPI/NBFC/NRI Non Repatriation	317280	0	317280	0.43	141732	0	141732	0.19	0.23
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

i) Others(foreign bodies - DR)	105336	0	105336	0.14	105336	0	105336	0.14	0
Sub-total (B)(1):-	**4151576**	**0**	**4151576**	**5.62**	**2030724**	**0**	**2030724**	**2.74**	**2.88**
2. Non-Institutions									
a) Bodies Corp.	4792278	0	4792278	6.49	4450425	0	4450425	6.03	0.46
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	14480808	256260	14737068	19.97	22876460	256260	23132720	31.35	11.37
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6115157	0	6115157	8.29	0	0	0	0	0
c) Others (specify) Non Resident Indians	474967	0	474967	0.64	515707	0	515707	0.70	0.06
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	78356	0	78356	0.11	219826	0	219826	0.30	0.19
Trusts	6000	0	6000	0.01	6000	0	6000	0.01	0
Foreign Bodies - D R	0	0	0	0					0
Sub-total (B)(2):-	**25947566**	**256260**	**26203826**	**35.51**	**28068418**	**256260**	**28324678**	**38.39**	**2.87**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30099142	256260	30355402	41.13	30099142	256260	30355402	41.12	0.01
C. Shares held by Custodian for GDRs & ADRs	4000	0	4000	0.01	4000	0	4000	0.01	0
Grand Total (A+B+C)	**73538680**	**256260**	**73794940**	**100**	**73538680**	**256260**	**73794940**	**100**	**0**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	
1	Nama Nageswar Rao	10732262	14.54	0	10732262	14.54	0	0
2	Nama Chinnamma	6158000	8.34	0	6158000	8.34	0	0
3	Seethaiah Nama	6001800	8.13	0	6001800	8.13	0	0
4	Krishnaiah Nama	2676183	3.63	0	2676183	3.63	0	0
5	Srinivasarao Kamma	1009000	1.37	0	1009000	1.37	0	0
6	Prithviteja Nama	1001500	1.36	0	1001500	1.36	0	0
7	Dhanalakshmi Kamma	669000	0.91	0	669000	0.91	0	0
8	Bhavyateja Nama	667350	0.90	0	667350	0.90	0	0
9	Tulasamma Mallampati	645000	0.87	0	645000	0.87	0	0
10	Varamma Nama	645000	0.87	0	645000	0.87	0	0
11	Ramarao Nama	509000	0.69	0	509000	0.69	0	0
12	Seetharamaiah Mareddi	165000	0.22	0	165000	0.22	0	0
13	Bhuvaneswari Nama	67500	0.09	0	67500	0.09	0	0
14	Madhu Malampati	24000	0.03	0	24000	0.03	0	0
15	Venkata Subbarao Thottempudi	24000	0.03	0	24000	0.03	0	0
16	SucharitaThottempudi	24000	0.03	0	24000	0.03	0	0
17	Madhucon Granites Limited	80,44,000	10.90	0	8044000	10.90	0	0
18	Nama Investments Limited	36,44,410	4.94	0	36,44,410	4.94	0	0
19	NNR Infra Investments Pvt Ltd	7,28,533	0.99	0	7,28,533	0.99	0	0

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of shares of the Company
	At the beginning of the year	43435538	58.86	43435538	58.86
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	43435538	58.86	43435538	58.86

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

S .No	Name of the Shareholders	Shareholding at the beginning of the year (01.04.2016)		Change in Shareholding		Shareholding at the end of the year (31.03.2017)	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of Shares	% of total shares of the Company
1	Nama Nageswar Rao	10732262	14.54	-	-	10732262	14.54
2	Madhucon Granites Limited	8044000	10.90	-	-	8044000	10.90
3	Nama Chinnamma	6158000	8.34	-	-	6158000	8.34
4	Seethaiah Nama	6001800	8.13	-	-	6001800	8.13
5	Nama Investments Limited	3644410	4.94	-	-	3644410	4.94
6	Chandra Singh Lodha	2702048	3.66	0.08	-	2767095	3.74
7	Krishnaiah Nama	2676183	3.63	-	-	2676183	3.63
8	Ashish Dhawan	1794999	2.43	-	-	1794999	2.43
9	Srinivasarao Kamma	1009000	1.37	-	-	1009000	1.37
10	Prithvi Teja Nama	1001500	1.35	-	-	1001500	1.35

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of shares of the Company
	At the beginning of the year	7010800	9.5%	7010800	9.5%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	7010800	9.5%	7010800	9.5%

V) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year *				
i) Principal Amount	5,589,302,532	57,59,40,387		616,52,42,919
ii) Interest due but not paid	79,299,041	3,08,721		7,96,07,762
iii) Interest accrued but not due				
Total (i+ii+iii)	**5,668,601,573**	57,62,49,108		**624,48,50,681**

Change in Indebtedness during the financial year				
i) Addition	427,249,641	5,17,85,559		47,90,35,200
ii) Reduction	165,931,590	31,02,969		16,90,34,559
Net Change	**261,318,051**	4,86,82,590		**31,00,00,641**
Indebtedness at the end of the financial year				
i) Principal Amount	5,793,425,156	57,62,49,108		6,36,96,74,264
ii) Interest due but not paid	136,494,468	4,86,82,590		18,51,77,058
iii) Interest accrued but not due				
Total (I + ii + iii)	**5,929,919,624**	**62,49,31,698**		**655,48,51,322**

*** Indebtedness at the beginning of the financial year revised as per the new Ind-AS reporting in the current FY 2016-17**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Nama Seethaiah, Managing Director	**Kamma Srinivasa Rao, Whole-time Director**	**Mohammad Shafi, Whole-time Director**	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	60,00,000 0 0 0	30,00,000 0 0 0	24,00,000 0 0 0	114,00,000
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission- as % of profit- others, specify…	0	0	0	
5	Others, please specify	0	0	0	
	Total (A)	60,00,000	30,00,000	24,00,000	114,00,000
	Ceiling as per the Act (11% of Net Profit as calculated as per Section 198 of the Companies Act, 2013)				1,72,19,620

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of the Director		Total Amount Rupees
		P. Madhava Rao, Independent Director	Ch. Lakshmi Kumari, Independent Director	
1	Independent Directors Fee for attending board committee meetings	Nil	Nil	0
	Commission	Nil	Nil	0
	Others, please specify	Nil	Nil	0
	Total (1)	Nil	Nil	0
2	Other Non-Executive Directors Fee for attending board committee meetings	Nil	Nil	0
	Commission	Nil	Nil	0
	Others, please specify	Nil	Nil	0
	Total (2)	Nil	Nil	0
	Total (B)=(1+2)	Nil	Nil	0

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	0	Nil	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	0	Nil	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	0	Nil	0
2	Stock Option	Nil	0	Nil	0
3	Sweat Equity	Nil	0	Nil	0
4	Commission	Nil	0	Nil	0
	- as % of profit	Nil	0	Nil	0
	Others specify…	Nil	0	Nil	0
5	Others, please specify	Nil	0	Nil	0
	Total	Nil			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE II

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. The Government's target of Rs 25 trillion (US$ 376.53 billion) investment in infrastructure projects over a period of three years, which will include Rs 8 trillion (US$ 120.49 billion) for developing 27 industrial clusters and an additional Rs 5 trillion (US$ 75.30 billion) for road, railway and port connectivity projects.

Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. The Government has made an attempt to revive and give boost to Public Private Partnerships (PPPs).

India's economy was slowing down in early FY 2016-17, until the favorable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetization" initiative. Demonetization caused an immediate cash crunch, and activity in cash reliant sectors was affected. GDP growth rate for the year ended 2016-2017 was 7.1 % as against the estimation of 7.5%. And the growth is expected to recover in FY 2017-2018 to 7.2% and is projected to gradually increase to 7.7% in FY 2019-2020.

II. Opportunities and Strengths:

The construction/infrastructure sector is likely to get major boost from the Government's focus on development of infrastructure in India. 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.5851 Crore. The Company expecting the future orders about Rs 10000 Crores in the year 2017-2018.

Segment wise performance:

1. Transportation Division:

Your Company has completed 1459 lane Kms of 4 BOT (Toll) projects. And 1760 lane Kms of Toll & Annuity Projects and 143 lane Kms of Item rate Projects are under progress.

Your Company has been awarded the following new EPC works of Maharastra road projects of Rs 1137 Crores and Bangalore road works package-2 of Rs 598 Crores.

2. Irrigation Projects:

Your Company executed many Irrigation projects such as Canals, dams, Tunnels, Spillways, lift irrigation Projects amounting more than Rs.1000 Crore in PAN India. Now various Irrigation Projects amounting to Rs.1106.37 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharastra, Madhaya Pradesh, Uttar Pradesh and Telangana.

III. Outlook:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. The Finance Minister provided in the Budget 2017-2018 an amount of Rs 2,41,387 crore for the transport sector as a whole, including railways, roads and shipping.

For highways, the budget allocation has been stepped up to Rs 64,000 crore in FY2018 from Rs 57,676 crore.

In the road sector, the budget allocation for the National Highways has been increased from Rs 57,676 crore in the BE of 2016-17 to Rs 64,000 crore in 2017-18.

Finance Minister Govt of India stated that 2,000 km of coastal connectivity roads have been identified for construction and development.

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

IV. Risks and Concerns:

Construction delays continue to be a concern fact or 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.,.

V. 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.

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

During the year under review, your Company has achieved a total income (standalone) of Rs.71035.23 lakhs against Rs 73865.36 Lakhs and Earning per Share (EPS) of Rs 2.37 against (Rs 2.63) of the Previous Year.

VII. Human Resources / Industrial Relations:

Your Company has recruited competent Professionals at all levels of management for all verticals of the Company like Roads, Irrigation, Power, Mining, Building & Property Division as a part of corporate restructuring process and strengthening its Business Verticals to meet the pace of growth of your Company. The industrial relation is very cordial.

ANNEXURE III

INFORMATION AS PER SECTION 134 (3) (F) THE COMPANIES ACT, 2013 READWITH 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 OUT GO:

(Rs. in Lakhs)

PARTICULARS	2016-17	2015-16
Foreign Exchange Earnings:		
Advance received	Nil	Nil
Foreign Exchange Outgo:		
i. Towards traveling	12.48	10.17
ii. Towards import of capital goods (CIF)	Nil	127.13
iii. Towards payment to equipment suppliers	57.78	Nil
iii. On account of others:		
a) Investment	Nil	Nil
b) Interest		17.17
c) Loan Repayment		8.84
iv. Others		Nil

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

Brief outline of the Company's CSR policy:
CSR Policy of the Company indicates the CSR activities included in the Schedule VII of the Companies Act, 2013

The Composition of the CSR Committee:

CSR Committee of the Board has been constituted which comprising of the following members.

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairperson
2. Sri N. Seethaiah, Managing Director as Member
3. Sri P Madhava Rao, Independent Director as Member

Average net profit of the Company for last three financial years Rs. 28.76 Crs.

Prescribed CSR Expenditure (two per cent of the amount as above) Rs. 57.53 Lakhs.

The Company is providing Drinking water facilities, giving support to physically handicapped and financially backward class peoples children for studies under the banner of **NAMA MUTHAIAH MEMORIAL TRUST** affiliated to Madhucon group.

Ch. Lakshmi Kumari
Independent Director
Chairperson of CSR Committee
(DIN-06942473)

REPORT ON THE PERFORMANCE/FINACIAL POSITION OF THE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES COMPANIES:

FORM AOC - 1

ANNEXURE V

PART - A: Subsidiary Companies

Rs. In Lakhs

Sl.No.	Name of the Subsidiary	Financial Period Ended	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for Income Tax	Profit After Tax	% Of Share Holding
1	2	3	4	5	6	7	8	10	11	12	13	14=(12-13)	15
1	Madhucon Infra Limited	31.03.2017	INR	128,777.70	(25,209.32)	195,822.95	92,254.57	188,782.29	2,788.16	(313.27)	-	(313.27)	94.89
2	Madhucon Toll Highways Limited	31.03.2017	INR	35,888.10	(373.25)	35,520.84	6.00	24,521.58	25.98	(39.88)	-	(39.88)	0.01
3	Simhapuri Energy Limited	31.03.2017	INR	91,975.13	18,920.59	415,755.90	304,860.18	37.11	61,061.02	(40,978.15)	-	(40,978.15)	12.15
4	Madurai Tuticom Expressways Limited	31.03.2017	INR	16,365.00	(20,175.41)	79,942.76	73,363.41	-	9,584.74	(5,408.62)	-	(5,408.62)	54.12
5	Trichy Thanjavur Expressways Limited	31.03.2017	INR	6,465.00	(9,504.14)	35,781.90	33,820.69	-	4,059.81	(2,844.24)	-	(2,844.24)	0.15
6	TN (DK) Expressways Limited	31.03.2017	INR	7,466.00	(2,711.84)	30,175.05	25,420.89	-	4,220.99	(1,181.99)	-	(1,181.99)	0.13
7	Chhapra Hajipur Expressways Limited	31.03.2017	INR	6,418.38	4.65	90,827.72	79,683.62	-	12,880.50	(2,262.96)	-	(2,262.96)	0.16
8	Ranchi Expressways Limited	31.03.2017	INR	8,080.00	(6,575.12)	133,259.47	99,575.97	-	33,633.92	(3,060.76)	-	(3,060.76)	0.02
9	Barasat Krishnanagar Expressways Limited	31.03.2017	INR	4,340.00	(116.31)	78,832.44	58,834.25	20.10	-	(7.51)	-	(7.51)	0.03
10	Rajauli-Bakhtiyarpur Expressways Limited	31.03.2017	INR	25.00	(8.91)	816.86	53.77	-	-	(0.58)	-	(0.58)	4.80
11	Vijayawada Machilipatnam Expressways Limited	31.03.2017	INR	45.00	(248.38)	2.62	206.00	-	-	(60.61)	-	(60.61)	1.78
12	Nama Hotels Private Limited	31.03.2017	INR	2,713.12	(115.97)	8,107.54	5,510.39	-	-	(12.75)	-	(12.75)	99.96
13	Madhucon Heights Private Limited	31.03.2017	INR	3.00	(948.83)	7,503.59	8,449.42	-	-	(894.50)	-	(894.50)	66.66
14	Madhucon Mega Mall Private Limited	31.03.2017	INR	3.00	(43.09)	3,598.23	3,638.32	20.39	0.91	0.68	-	0.68	66.66
15	PT Madhucon Indonesia	31.03.2017	RPH (Indonesia) Converted into INR	7,698.04	(4,596.76)	9,193.65	6,149.57	-	132.40	(653.53)	-	(653.53)	4.86

PART - B: Associates and Joint Ventures

Sl. No.	Name of the Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates/Joint Ventures Held by the company on the Year ended			Description of how there is Significant Influence	Reason why the Associate/Joint Venture is not Consolidated	Net Worth attributable to Share hloding as per latest Audited Balance Sheet	Profit/Loss for the Year	
			No.	Amount of Investment in Associates/ Joint Ventures	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
Associates										
1	Madhucon Properties Limited	31.03.2017	20,000	2.00	33.33	Due to Shareholding	-	(23.65)	(0.15)	-

ANNEXURE VI

RAKHI AGARWAL
Company Secretary

6-3-660, Amrit Apartments,
Block 4, Flat 520, Kapadia Lane,
Somajiguda,
Hyderabad – 500 082
Email:rakhiagarwal79@yahoo.com

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, 2017

To,

The Members of,

MADHUCON PROJECTS LIMITED,

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 (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, 2017 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Madhucon Projects Limited for the financial year ended 31ST March, 2017 according to the provisions of:-

i. The Companies Act, 2013 and the rules made thereunder as applicable.

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

iii. The Depositories Act, 1996 and the Regulations and Bye Laws framed thereunder.

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
c. The Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999;
d. 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;

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, Luxembourg Stock Exchange 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.

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.

(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 is carried through and there were no instances of dissenting members in the Board of Directors.

(c) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.



In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

a. maintenance of various statutory registers and documents and making necessary entries therein;
b. closure of Register of Members;
c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
d. service of documents by the Company on its Members, Stock Exchanges, Auditors and the Registrar of Companies;
e. notice of Board and various Committee meetings of Directors;
f. meetings of Directors and all the Committees of Directors and passing of circular resolutions;
g. notice and convening of Annual General Meeting held on 24th September, 2016.
h. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
i. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
j. constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
k. payment of remuneration to Directors, Managing Director and Executive Directors;
l. appointment and remuneration of Statutory Auditors and Cost Auditors;
m. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
n. declaration and payment of dividend;
o. transfer of amounts as required under the Act to the Investor Education and Protection Fund;
p. borrowings and registration of charges;
q. report of the Board of Directors;
r. investment of the Company's funds including inter corporate loans and investments;



s. generally, all other applicable provisions of the Act and the Rules thereunder.

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

I further report that, 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 related laws as applicable specifically:

(a) Customs Act, 1962 and the rules made thereunder as applicable;
(b) Central Excise Act, 1944 and the rules made thereunder as applicable.
(c) Rule 3(4) A.P. Shops and Establishment Rule, 1990.
(d) Labour Act, 1970 or Labour Act, 2015 and rules made thereunder applicable
(e) A.P. Tax on Professions Trades Callingsand Employments Act,1987 and the rules made thereunder as applicable.
(f) Employees Provident Fund Scheme, 1952 and the rules made thereunder as applicable.
(g) Employee Pension Scheme, 1995 and the rules made thereunder as applicable.
(h) Employees Deposit Linked Insurance Scheme, 1976 and the rules made thereunder as applicable.
(i) Industrial Dispute Act, 1947 and the rules made thereunder as applicable.
(j) Factories Act, 1948 and its other related acts, and the rules made thereunder as applicable.
(k) Payment of Gratuity Act, 1972 and the rules made thereunder as applicable.
(l) Contract Labour (Regulations and Abolition) Act, 1970 and Rules thereunder; and



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

We 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.

Place: Hyderabad
Date: 30.05.2017

RAKHI AGARWAL

COMPANY SECRETARY

FCS NO.7047

CP NO.6270

RAKHI AGARWAL
Company Secretary

6-3-660, Amrit Apartments,
Block 4, Flat 520, Kapadia Lane,
Somajiguda,
Hyderabad – 500 082
Email:rakhiagarwal79@yahoo.com

To,

The Members,

MADHUCON PROJECTS LIMITED,

H.No.1-7-70, Jublipura, Khammam, Telangana- 507003 .

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we 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. Our 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.

Place: Hyderabad
Date: 30.05.2017

RAKHI AGARWAL

COMPANY SECRETARY

FCS NO.7047

CP NO.6270

ANNEXURE VII

PARTICULARS OF REMUNERATION:

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

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

Name of the Director	Ratio to Median
Sri N. Seethaiah, Managing Director	50:1
Sri K Srinivasa Rao, Whole-time Director	25:1
Sri Mohammed Shafi, Whole-time Director	20:1

(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-2483

(v) The explanation on the relationship between average increase in remuneration and Company performance; The number of employees increased to 45.50% during the financial year. Consequently the average remuneration increased to 37.80%.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Particulars	Rs in Lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2016-17	143.40
Net Profit after tax	1565.42
Remuneration (as % of Net Profit)	9.16

(vii) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	Unit	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	Variation in(%)
Closing Price of share at BSE	Rs.	42.65	54.40	55.00	299
EPS (Consolidated)	Rs.	2.37	2.63	6.69	55.58
Market Capitalization	Rs/Cr	306.25	401.45	405.87	299
Price Earnings ratio	Ratio	17.99	20.68	8.22	156.07

Percentage of increase in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the Initial Public Offer:

The stock price of Madhucon as at March 31, 2017 increased by 42.16% (Rs. 42.65/-) over the initial public offering i.e. IPO in January, 1996 at the price of Rs. 30/-

(viii) 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;There is no average percentile increase in salaries of employees other than managerial personnel and managerial remuneration in 2016-17.

Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

Name of Person	Remuneration (Rs/ Lakhs)	Net Profit (Rs/ Lakhs)	Remuneration as % of Net Profit
Sri N. Seethaiah, Managing Director	60.00	1565.42	3.83
Sri K. Srinivasa Rao, Whole-time Director	30.00	1565.42	1.92
Sri Mohammed Shafi,Whole Time Director	24.00	1565.42	1.53

(ix) The key parameters for any variable component of remuneration availed by the directors; No.

(x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; NIL.

(xi) Affirmation that the remuneration is as per the remuneration policy of the Company. Yes. It is confirmed.

(xii) 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; 35.38 (Due To Increase Of Gross Salary Of The Employees By 37.8% Compared To Increase In Managerial Remuneration Of 23.61%)

(xiii) Affirmation that the remuneration is as per the remuneration policy of the Company. Yes It is confirmed.

ANNEXURE VIII

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, 2017

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

As on 31st March 2017, the Board consist of 5 (Five) Directors. There is 1(One) Managing Director, 2(Two) Whole-time Director and 2 (Two) Non-Executive Independent Directors including 1 (One) Woman Director.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2017 has been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2016-2017)	Attendance at previous AGM held on 24.09.2016
1	Sri N. Seethaiah, Managing Director	19	Yes
2	Sri K. Srinivasa Rao, Whole-time Director	17	No
3	Sri. Mohammad Shafi, Whole-time Director	16	No
4	Sri P. Madhava Rao, Independent Director	10	Yes
5	Smt. Ch. Lakshmi Kumari, Independent Director	14	Yes

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

None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the 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 2017 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee in Chairmanship other Companies
1	Sri N. Seethaiah	Managing Director	9	5	1
2	Sri K. Srinivasa Rao	Whole-time Director	13	5	3
3	Sri. Mohammad Shafi	Whole-time Director	0	0	2
4	Sri P. Madhava Rao	Independent Director	3	1	0
5	Smt. Ch. Lakshmi Kumari	Independent Director	4	1	0

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

The Board met 19 (Nineteen) times during the financial year 2016-2017. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	**Date**	**Meeting No.**	**Date**	**Meeting No.**	**Date**	**Meeting No.**	**Date**
548	15.04.2016	553	11.07.2016	556	05.10.2016	561	24.01.2017
549	30.04.2016	554	10.08.2016	557	20.10.2016	562	01.02.2017
550	28.05.2016	555	10.09.2016	558	14.11.2016	563	09.02.2017
551	30.05.2016			559	21.12.2016	564	10.02.2017
552	20.06.2016			560	31.12.2016	565	14.02.2017
						566	28.03.2017

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 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.

3. AUDIT COMMITTEE:

i. Brief description of terms of reference:

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

ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31st March 2017:

1. Smt. Ch. Lakshmi Kumari, Independent Director as Chairman
2. Sri N. Seethaiah, Managing Director as Member
3. Sri Madhava Rao, 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 28.05.2016, 10.09.2016, 14.11.2016, and 14.02.2017 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 N. Seethaiah	Member	4
3	Sri P. Madhava Rao	Member	4

Head of Finance & Accounts Division and Internal Auditors attended the meetings of the Audit Committee as Invitees.

In terms of compliance with the requirement of Listing Regulations, the Audit Committee reviews the information from time to time as specified in the said clause.

4. NOMINATION AND REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

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

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

ii. Composition and Role of Nomination and Remuneration Committee:

Nomination and Remuneration Committee comprises of the following non-executive independent directors as on 31st March 2017:

1) Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
2) Sri Srinivasa Rao Kamma, Whole-time 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 25.05.2016 approved the Remuneration Policy and ratification for reappointment of Kamma Srinivasa Rao as Whole-time Director on 28.03.2017. 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 Srinivasa Rao Kamma	Member	1
3	Sri P Madhava Rao	Member	2

iv. Remuneration Policy:

The Policy provides for the following:

a) Attract, recruit, and retain good and exceptional talent;

b) List down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

c) Ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;

d) Motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

e) Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

f) 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 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 5 (Five) directors, 3 (Three) are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non-executive directors do not draw any remuneration/ 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 2016-2017 are as follows:

Sl. No.	Director	Consolidated Salary (Per Month) (Rs)	Perquisites, Allowances and other Benefits	Performance Bonus/ Incentive/ Commission/ Stock Option	Sitting Fees	Total (Per Annum)
1	Sri N. Seethaiah Managing Director	5,00,000/-	-	-	-	60,00,000/-
2	Sri K. Srinivasa Rao Whole-time Director	2,50,000/-	-	-	-	30,00,000/-
3	Sri Mohammad Shafi Whole-time Director	2,00,000/-	-	-	-	24,00,000/-

vi. Details of shareholding of Directors as on 31st March 2017:

As on 31st March 2017, the Company had 3 (Three) executive directors and 2 (Two) non-executive directors, the two executive directors hold equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

Sl. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Sri Nama Seethaiah	Managing Director	6001800	8.13
2	Sri Kamma Srinivasa Rao	Whole-time Director	1009000	1.37
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

5. STAKE HOLDERS' 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 2017:

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

ii. Name and Designation of Compliance Officer:

iii. 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 received 46 Complaints from Shareholders and disposed of 46 and the balance is Nil.

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

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

vi. E-mail ID for redressed 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.

vii. Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 30.05.2016, 15.08.2016, 14.11.2016 and 11.02.2017 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	4
2	Sri K. Srinivas Rao	Member	4
3	Sri P. Madhava Rao	Member	4

6. GENERAL BODY MEETINGS:

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

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

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

Particulars	Date & Time	Venue	Special Resolution passed
26th AGM (2015-2016)	24.09.2016 3.00 PM	Regd. Office: Madhu Complex,1-7-70, Jublipura, Khammam	Nil
25th AGM (2014-2015)	30.09.2015 3.00 PM	Regd. Office: Madhu Complex,1-7-70, Jublipura, Khammam	Adoption of new Articles of Association of the Company U/S 14 of the Companies Act, 2013.
24th AGM (2013-2014)	27.09.2014 3.00 PM	Regd. Office: Madhu Complex,1-7-70, Jublipura, Khammam	Renewal of Borrowing Limits and creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013.

iii. **Postal Ballot:**

During the year no resolution was passed through postal ballot.

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

iv. **Meeting of Independent Directors**

Pursuant to the companies Act, 2013 read with rules made there under and Secretarial Standard-I issues by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a meeting of the Independent Directors of the Company for the calendar year 2016 was held on 13th February, 2017 and next meeting of the Independent Directors will be held in calendar year 2017.

7. DISCLOSURES:

i. **Related Party Transaction (RPT):**

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

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

ii. Disqualification of Directors: As on March 31, 2017 none of the Directors of the Company were disqualified under section 164(2) of the Companies Act, 2013.

iii. Details of 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 – None

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 minutes of the unlisted subsidiary companies have been placed before the Board of the holding Company. 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 followinglink:

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 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.

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 2017. 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 Sri Suryanarayana, Upadhyayula practising Company Secretory FCS00336 Cp 2768 and the same has been incorporated as an Annexure to the Directors Report.

8. 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 31 of Listing Regulations.

The financial calendar events of 2016-17 relating to quarterly un-audited financial results are as follows:

Financial Reporting for the :	
1st Quarter ended 30th June 2016	10th September, 2016
2nd Quarter ended 30th September 2016	14th November, 2016
3rd Quarter ended 31st December 2016	14th February, 2017
4th Quarter ended and financial year 31st March 2017	3rd June, 2017

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/corporate/investors.html

iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in https://www.connect2nse.com/LISTING/ and to Bombay Stock Exchange in http://listing.bseindia.com/

iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.

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

9. GENERAL SHAREHOLDER'S INFORMATION:

i. AGM: Date, Time and Venue:

Date	:	23rd Sept. 2017
Day	:	Saturday
Time	:	3.00PM
Venue	:	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam-507 003, Telangana

ii. Financial Year:

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

iii. Date of Book Closure:

The Share Transfer Register will be closed from 18/09/2017 to 23/09/2017(inclusive of both days) for the purpose of Annual General Meeting.

iv. Dividend Payment Date: 23/10/2017 (within 30 days)

v. 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.

vi. Stock Code: INE 378D01032

vii. Market Price Data:

High and Low during each month in last financial year 2016-2017:

High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE Stock Exchanges during the 12 months period ended 31st March 2017 are as under-

A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2016	57.80	50.00	3,16,929	3,089
May 2016	56.95	47.80	2,72,691	2,890
June 2016	51.55	41.50	3,99,086	4,026
July 2016	55.60	46.25	4,25,842	4,488
August 2016	53.50	46.75	31,51,889	3,537
September 2016	55.00	40.15	7,46,846	8,035
October 2016	50.25	42.80	4,77,527	4,735
November 2016	45.55	33.00	5,29,715	3,547
December 2016	43.80	35.05	3,37,373	3,781
January 2017	46.10	36.20	4,44,237	5,347
February 2017	49.50	41.80	7,80,372	8,756
March 2017	48.70	40.00	5,96,479	4,275

B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2016	53.35	50.5	78,878
May 2016	54.85	49.15	1,07,646
June 2016	48.95	46.7	71,140
July 2016	50.45	49.15	64,348
August 2016	51.35	46.85	2,78,796
September 2016	43.2	41	1,14,442
October 2016	45.85	45.2	26,236
November 2016	41.7	39.3	30,806
December 2016	38.9	38	31,747
January 2017	44.45	42.1	65,176
February 2017	49.45	47.5	1,00,728
March 2017	43.2	40.9	3,50,067

viii. Registrar and Transfer Agents:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31- 32,
Gachibowli, Financial District,
Nanakramguda Hyderabad,
Telangana-500 032
Phone No.040-67161605

ix. 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.

x. 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.

xi. A) Distribution of Shareholding as on 31st March, 2017

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	14136	95.84	6379823.00	8.65
5,001 - 10,000	244	1.65	1856581.00	2.52
10,001 - 20,000	161	1.09	2335745.00	3.17
20,001 - 30,000	48	0.33	1164495.00	1.58
30,001 - 40,000	29	0.20	1031422.00	1.40
40,001 - 50,000	24	0.16	1087530.00	1.47
50,001 - 1,00,000	51	0.35	3533002.00	4.79
1,00,001 - Above	56	0.38	56406342.00	76.44
Total	**14749**	**100.00**	**73794940**	**100.00**

xii. Dematerialization of shares and liquidity:

7,35,38,680 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,56,260 are in physical form equivalent to 0.35% as on 31st March 2017.

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

Electronic/Physical	No of Shares held	% of Capital
NSDL	51718189	70.08
CDSL	21820491	29.57
Physical	256260	0.35
Total	73794940	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.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No outstanding instruments.

xiv. Plant Locations – Not applicable since the Company is not engaged in manufacturing activities.

xv. 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.

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

10. LISTING FEES:

Listing fee has been paid to Stock Exchanges for the Financial Year 2017-2018.

11. RECONCILIATION OF SHARE CAPITAL AUDIT:

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

12. RECORD OF DIVIDEND FOR THE PAST THREE YEARS:

Year	Type of Payment	Rate in %	Amount per Share(Rs.)	Total Amount(Rs.)
2015-2016	Final	10	0.10	73,79,494
2014-2015	Final	10	0.10	73,79,494
2013-2014	Final	20	0.20	1,47,58,988

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 of the financial year ended March 31, 2017.

For and on behalf of the Board

Place: Hyderabad
Date:11/08/2017

Nama Seethaiah
Managing Director
DIN-00784491

ANNEXURE-IX

CEO/GM (Finance) Certification

In relation to the Audited Financial Statements of the Company as at March 31,2017, Nama Seethaiah, Managing Director and CEO and K .Venkateswarlu GM (Finance) 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 in to by the Company during the year which is fraudulent, illegal or violates of 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. In stances of significant fraud of which we have become aware and involvement there in, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting, wherever applicable.

Place: Hyderabad
Date: 11/08/2017

K Venkateswarlu
General Manager
(Finance & Accounts)

N Seethaiah
Managing Director & CEO
DIN 00784491

ANNEXURE-X

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Madhucon Projects Limited

I/ we have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited (the Company), for the year ended March 31, 2017, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

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, I/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

I/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.

Suryanarayana,
Upadhyayula
practicing Company Secretary
FCS00336 Cp 2768

Place: Hyderabad
Date: 11/08/2017

ANNEXURE-XI

DECLARATION OF INDEPENDENCE BY SRI MADHAVA RAO POTLA, INDEPENDENT DIRECTOR UNDER SECTION 149 (7), SCHEDULE IV OF THE COMPANIES ACT, 2013.

To
The Board of Directors,
Madhucon Projects Limited
Madhucon House, 1129/A,
Hitech City Road, Jubilee Hills
Hyderabad-500033

Dear Sir(s),

I, Madhava Rao Potla (DIN: **00385838**) hereby certify that I am a Non-Executive Independent Director of the Madhucon Projects Limited and comply with all the criteria of independent director as envisaged in Section 149(6) of the Companies Act, 2013. And I certify that:

a) I am the person of integrity and possess relevant expertise and experience under the opinion of the Board

b) I am not the promoter of the Company or its holding, subsidiary or associate company.

c) I am not related to promoters or directors in the Company, its holding, subsidiary or associate Company.

d) I do not have nor had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.

e) None of my relatives has or had pecuniary relationship or transaction(s) with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such other higher amount as prescribed/may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.

f) Neither me nor my relatives:

   i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year.

   ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:

      a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**

      b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.

   iii. holds together with my relatives two percent or more of the total voting power of the company; or

   iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company;

g) I possess appropriate skills, experience and knowledge in one or more fields as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

h) I am not a material supplier, service provider or customer or a lessor or lessee of the company, which affects the Independence of Directors.

i) I am not less than 21 years of age.

DECLARATION:

I do hereby declare and confirm that the above said information is true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

(Sd/)
Madhava Rao Potla
9-2-115/2, Srikrishna Nilayam,
Old Club Road, Khammam-507 001

Place: Khammam
Date: 03/06/2017

ANNEXURE-XII

DECLARATION OF INDEPENDENCE BY SMT CHINTHAPALLI LAKSHMI KUMARI, INDEPENDENT WOMEN DIRECTOR UNDER SECTION 149 (7), SCHEDULE IV OF THE COMPANIES ACT, 2013.

To
The Board of Directors,
Madhucon Projects Limited
Madhucon House, 1129/A,
Hitech City Road, Jubilee Hills
Hyderabad-500033

Dear Sir(s),

I, CHINTAPALLI LAKSHMI KUMARI (DIN: **06942473**) hereby certify that I am a Non-Executive Independent Women Director of the Madhucon Projects Limited and comply with all the criteria of independent director as envisaged in Section 149(6) of the Companies Act, 2013. And I certify that:

a) I am the person of integrity and possess relevant expertise and experience under the opinion of the Board

b) I am not the promoter of the Company or its holding, subsidiary or associate company.

c) I am not related to promoters or directors in the Company, its holding, subsidiary or associate Company.

d) I do not have nor had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.

e) None of my relatives has or had pecuniary relationship or transaction(s) with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such other higher amount as prescribed/may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.

f) Neither me nor my relatives:

i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year.

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:

a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**

b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.

iii. holds together with my relatives two percent or more of the total voting power of the company; or

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company;

g) I possess appropriate skills, experience and knowledge in one or more fields as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

h) I am not a material supplier, service provider or customer or a lessor or lessee of the company, which affects the Independence of Directors.

i) I am not less than 21 years of age.

DECLARATION:

I do hereby declare and confirm that the above said information is true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

(Sd/)
Chinthapalli Lakshmi Kumari
6-3-259/1, Plot No. 402
Srujana Apartments, Bank Colony
Khammam-507 002

Place: Khammam
Date: 03/06/2017

:

INDEPENDENT AUDITORS' REPORT

To The Members of
Madhucon Projects Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Madhucon Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the accompanying financial statements for the year ended March 31, 2017:

a. Note No. 2.4(i) to the financial statements, in relation to the carrying value of investments held in and unsecured loans and advances given by the Company to the subsidiaries or associates listed in that note, which have been incurring losses and in some of these companies, net worth was fully or substantially eroded. Taking the management's internal assessment and initiatives to be implemented to improve the profitability in the medium to long run into account, the management of the Company is of the view that carrying value of the investments and loans and advances are realizable at the value stated in the books.

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

b. Note No. 2.4(ii) to the financial statements, in relation to Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh Housing Board(the Board) (now known as Telangana Housing 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 Honorable XI ACJ Court, CCC, Hyderabad and the same is pending. Taking in to account the management internal assessment and legal opinion obtained by the management of the Company, it is confident in succeeding the case and carrying values of investments in and loans sanctioned to MMMPL are realizable at the values stated in the books of accounts.

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

c. Note No. 2.4(iii) to the financial statements indicates that the outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated therein.

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

Our opinion is not qualified on the above matters.

Other Matters

The Company had prepared separate sets of financial statements for the year ended 31st March 2016 and 31st March 2015 in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by us. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not qualified in respect of this matter.

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 in terms of Section 143(11) of the Act, we give in “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 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone financial statements dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E)dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed, management representations obtained and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Kota & Company**
Chartered Accountants
Firm's Registration No.011982S

K.S.R.K. Prasad
Partner
Membership No. 022964

Hyderabad,
June03, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified during the year by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties (which are included under the head "Property plant and equipment") are held in the name of the Company.

(ii) As per the information provided to us, inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans and having regard to the rollover stipulations for loans to certain parties:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and hence we are unable to comment as to whether repayment/receipts of the principal amount and the interest are regular.

(c) In the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of principal amount and interest.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 185 and 186 of the Act to the extent applicable, in respect of loans, investments guarantees and security.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to Section 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) There are some delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

S. No.	Name of the Statute	Nature of Dues	Period	Rs. in Lacs
1	The Income Tax Act, 1961	Dividend Distribution Tax & Interest on it	2011-12 to 2016-17	78.79
2	The Building and other Construction workers welfare cess Act, 1996	Labour cess	2011-12	343.28

3	Professional Tax	P T PAYABLE	2011-12 to 2016-17	47.92
4	The Employees Provident funds and Miscellaneous provision act 1952	provident fund	2012-13 to 2016-17	175.12
5	Sales Tax	Sale Tax payable	2013-14 to 2016-17	355.83
6	Works Contract Tax	Works Contract Tax	2014-15 to 2016-17	2,595.82
7	The Finance Act 1994	Service Tax	2014-15 to 2016-17	723.79
8	The Income Tax Act, 1961	Tax Deducted at Source & Interest on it	2013-14 to 2016-17	683.64

(b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.in lakhs)
The Income Tax Act, 1961	CIT (Appeals), Hyderabad	2009-10 to 2012-13	8701.82
Sales Tax	Hon'ble High Court	2001 to 2005 & 2009-10	5795.52
Entry Tax	Hon'ble Supreme Court	2006-07, 2007-08, 2009-10 & 2010-11	629.11

(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, as follows:

Amount in Rs. Lakhs

Delay in Interest payments:

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	82.70	57.40	53.92	-	-
BANK OF INDIA	67.81	32.15	0.00	-	164.71
ICICI BANK	311.16	166.09	156.91	-	461.78
IDBI BANK	818.73	207.78	40.43	-	0.00
KOTAK MAHINDRA BANK LIMITED	250.49	126.20	66.27	371.91	0.00
ORIENTAL BANK OF COMMERCE	269.22	179.89	74.54	-	0.00
STATE BANK OF INDIA	223.23	353.73	104.24	63.17	0.00
Name of the Financial Institution					
SREI Equipment Finance Ltd	90.75	95.00	104.21	311.59	72.83

Amount in Rs. Lakhs

Delay in Principal re payments:

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	-	-	-	-	1767.95
Name of the Financial Institution					
SREI Equipment Finance Ltd	418.36	414.12	404.90	1110.04	181.72

The Company has repaid an amount of Rs.4113.89 lakhs and Rs.1283.04 lakhs on or before 31st March,2017 pertaining to Interest and Principal respectively.

(ix) The Company has not raised moneys by way of initial public offer or further public offer and in our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.

(xi) As per the information and explanations given to us, managerial remuneration provided are in accordance with approvals mandated by the provisions of section 197 of the Act.

(xii) In our opinion the company is not a chit fund or a nidhi company or mutual benefit fund / society. Accordingly, para 3(xii) of the Order is not applicable.

(xiii) As per the explanations and information given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information explanations given to the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Kota & Company**
Chartered Accountants
Firm's Registration No.011982S

K.S.R.K. Prasad
Partner
Membership No. 022964

Hyderabad,
June 3, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Madhucon Projects Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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. 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 respective 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 Companies Act, 2013.

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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform 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 judgement, including the assessment of the risks 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 on the Company's internal financial controls 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 those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31, 2017, 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 **Kota & Company**
Chartered Accountants
Firm's Registration No.011982S

K.S.R.K. Prasad
Partner
Membership No. 022964

Hyderabad,
June 3, 2017

Madhucon Projects Limited

Statement of Assets and Liabilities as at 31st March, 2017

Rs. In Lakhs

S. No.	Particulars	Note No.	Figures As at the end of 2016-17	Figures As at the end of 2015-16	Figures As at the beginning of 2015-16
1	2	3	4	5	6
1	**ASSETS**				
	Non-current assets				
	(a) Property, Plant and Equipment	2.1	5,478.85	5,502.92	8,358.76
	(b) Financial Assets				
	(i) Investments	2.2	177,181.38	172,430.38	170,737.40
	(ii) Trade receivables	2.3	3,050.52	3,261.04	13,982.25
	(iii) Loans	2.4	13,615.81	64,843.84	18,357.08
	(iv) Others Financial Assets	2.5	13,139.22	8,934.38	15,699.14
	(c) Other non-current assets	2.6	24,640.64	21,000.31	7,582.89
	Sub-total Non-current assets		**237,106.42**	**275,972.86**	**234,717.53**
2	**Current assets**				
	(a) Inventories	2.7	3,938.39	3,607.75	911.09
	(b) Financial Assets				
	(i) Trade receivables	2.8	13,592.38	27,936.19	42,978.76
	(ii) Cash and cash equivalents	2.9	1,746.59	2,115.39	802.51
	(iii) Bank balances other than (ii) above	2.10	518.53	460.38	1,389.31
	(iv) Loans	2.11	144.85	137.20	46,441.02
	(v) Others Financial Assets	2.12	4,100.39	5,788.71	1,524.00
	(c) Current tax asset (net)	-	1,619.35	1,006.48	1,512.18
	(d) Other current assets	2.13	13,416.45	10,957.99	8,076.96
	Sub-total Current assets		**39,076.94**	**52,010.09**	**103,635.84**
	Total Assets		**276,183.36**	**327,982.95**	**338,353.36**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	2.14	740.32	740.32	740.32
	(b) Other Equity	2.15	77,576.10	75,845.11	73,901.46
	Sub-total Equity		**78,316.42**	**76,585.43**	**74,641.78**
	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	2.16	2,465.23	2,850.75	4,904.82
	(ii) Trade payables	2.17	6,758.86	4,027.20	23,454.82
	(iii) Other financial liabilities	2.18	7,894.13	7,545.34	10,259.07
	(b) Provisions	2.19	146.27	140.60	170.46
	(c) Deferred tax liabilities (Net)	2.20	129.65	151.78	-
	(d) Other non-current liabilities	2.21	14,907.29	35,098.23	63,261.66
	Sub-total Non-current liabilities		**32,301.41**	**49,813.89**	**102,050.84**
2	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	2.22	53,789.41	50,091.47	65,663.76
	(ii) Trade payables	2.23	42,891.27	83,813.31	38,353.58
	(iii) Other financial liabilities	2.24	16,588.75	27,953.81	6,821.94
	(b) Other current liabilities	2.25	48,439.03	25,390.88	30,943.46
	(c) Provisions	2.26	2,553.62	13,013.46	18,347.59
	(d) Current tax liabilities (net)		1,303.43	1,320.68	1,530.42
	Sub-total Current liabilities		**165,565.52**	**201,583.62**	**161,660.74**
	Total Equity and Liabilities		**276,183.36**	**327,982.95**	**338,353.36**

For Significant Accounting Policies see notes to accounts forming part of Financial Statements.

As per our Report of even date attached
For Kota & Company
Chartered Accountants

K.S.R.K. Prasad
Partner

Place: Hyderabad
Date: 03-06-2017

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

Madhucon Projects Limited

Statement of Profit and Loss for the Period ended 31st March, 2017

Rs. In Lakhs

		Note	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
	Revenue:					
I	Revenue from Operations	2.27	69,307.24		71,777.56	
II	Other Income	2.28	1,727.99		2,087.80	
III	**Total Revenue (I +II)**			**71,035.23**		**73,865.36**
IV	**Expenses:**					
	Cost of Materials & Work Expenses	2.29	45,926.95		50,166.12	
	Changes in work in progress	2.30	579.55		(809.72)	
	Employee Benefit Expenses	2.31	4,543.41		3,796.07	
	Finance Costs	2.32	9,825.63		10,548.51	
	Depreciation and amortization expense	2.10	2,513.55		3,227.51	
	Other Expenses	2.33	4,686.08		3,860.84	
	Total Expenses			**68,075.17**		**70,789.33**
V	**Profit before Exceptional and Extraordinary Items and Tax (III - IV)**			**2,960.06**		**3,076.03**
VI	Exceptional Items			**-**		**-**
VII	**Profit Before Tax (V - VI)**			**2,960.06**		**3,076.03**
VIII	**Tax Expense:**					
	1) Current Tax		1,265.00		687.51	
	2) Deffered Tax		129.65	**1,394.65**	151.78	**839.29**
IX	**Profit/(Loss) from the period from continuing operations (VII-VIII)**			**1,565.42**		**2,236.75**
	Other comprehensive income					
	(a) Re Classification of Employee Defined Benefit Obligation		(5.12)		(9.60)	
	(b) Exchange differences on translation		204.59		155.06	
	(c) Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		(13.17)		(126.85)	
	(d) Expected credit loss on fair valuation of financial assets		-	**186.30**	(311.70)	**(293.10)**
X	**Total Comprehensive Income**			**1,751.72**		**1,943.65**
	Earning per equity share:					
	Basic and Diluted			**2.37**		**2.63**

For Significant Accounting Policies see notes to accounts forming part of Financial Statements.

As per our Report of even date attached
For Kota & Company
Chartered Accountants

K.S.R.K. Prasad
Partner

Place:Hyderabad
Date: 03-06-2017

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

Madhucon Projects Limited

Statement of cash flows As At 31st March, 2017

Rs. In Lakhs

		Year ended 31 March, 2017	Year ended 31 March, 2016
A	**Cash flow from operating activities**		
	Profit/(loss) before income tax	**2,960.06**	**3,076.03**
	Adjustments for:		
	Depreciation and amortisation expense	2,513.55	3,227.51
	Dividend and interest income classified as investing cash flows	(464.44)	(479.12)
	Finance costs	9,825.63	10,548.51
	Change in operating assets and liabilities		
	(Increase)/decrease in trade receivables	14,554.32	25,763.79
	(Increase) decrease in inventories	(330.64)	(2,696.66)
	(Increase) decrease in other bank balances	(58.15)	928.93
	(Increase)/decrease in other financial assets	(2,516.53)	2,500.06
	(Increase)/decrease in other current and non-current assets	(6,711.66)	(15,792.75)
	Increase/(decrease) in Loans	51,220.37	(182.93)
	Increase/(decrease) in trade payables	(38,190.39)	26,032.12
	Increase/(decrease) in other financial liabilities	(11,016.27)	18,418.13
	Increase/(decrease) in other current and non-current liabilities	(8,177.92)	(37,695.34)
	Cash generated from operations	**13,607.94**	**33,648.28**
	Income taxes paid	687.51	2,575.86
	Net cash inflow from operating activities	**12,920.43**	**31,072.42**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(2,489.48)	(371.67)
	Payments for purchase of investments	(4,751.00)	(1,692.98)
	Dividend received	-	0.43
	Interest received	464.44	479.55
	Net cash outflow from investing activities	**(6,776.04)**	**(1,584.67)**
C.	**Cash flows from financing activities**		
	Proceeds from issues of shares	-	-
	Proceeds/(Repayment) of long term borrowings	(385.52)	(2,054.07)
	Proceeds from short term borrowings (net)	3,697.95	(15,572.29)
	Interest paid	(9,825.63)	(10,548.51)
	Net cash outflow from financing activities	**(6,513.20)**	**(28,174.88)**
	Net increase/(decrease) in cash and cash equivalents	**(368.80)**	**1,312.87**
	Cash and cash equivalents at the beginning of the financial year	2,115.39	802.51
	Cash and cash equivalents at end of the year	**1,746.59**	**2,115.39**
	Reconciliation of cash and cash equivalents as per the cash flow statement	**31 March, 2017**	**31 March, 2016**
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents	1,746.59	2,115.39
	Balances per statement of cash flows	**1,746.59**	**2,115.39**

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For Kota & Company
Chartered Accountants

K.S.R.K. Prasad
Partner

Place: Hyderabad
Date: 03-06-2017

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2017

Company Overview:

Madhucon Projects Ltd (MPL) or "the Company" is an integrated construction, Infrastructure development and management Company Corporate Office at Hyderabad, India.

The Company is surging ahead with presence in multiple sectors of construction and infrastructure projects such as Transportation, Irrigation, Water resources infrastructures, railways, Engineering, Procurement & Construction (EPC), Turnkey projects, developments 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 schedules, in all sectors. A majority of the development projects of the Company are based on Public-Private Partnerships (PPP) and operated by separate Special Purpose Vehicles (SPV)

Note : 1

Significant accounting policies:

1.1 Statement of compliance

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) . The Company has prepared its financial statements for all periods upto the year ended 31st March 2016 in accordance with the standards notified under the Companies (Accounting Standards) Rules 2006 ("previous GAAP"). The figures for the year ended 31st March 2016 have now been restated as per Ind AS to provide comparison. The financial statements for the year ended 31st March 2017 are the first financial statements prepared by the Company in accordance with Ind AS and the date of transition to Ind AS is 1st April 2015. Reconciliations and description of the effect of the transition to Ind AS from previous GAAP is given in **Note:1.28.**

1.2 Basis of preparation

These 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 Ind AS and certain items of property plant and equipment that were revalued in earlier years in accordance with the previous GAAP principles. 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

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 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 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 applicable duties and taxes, 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 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 Intangible Assets

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

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

1.8 Depreciation/ Amortisation

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

Depreciation on Property, Plant and equipment 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.

1.9 Impairment of Assets:

At the end of each accounting 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 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 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.

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 recognized as an impairment gain or loss in statement of profit or loss.

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.

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.

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.

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

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

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

1.12 Inventories:

Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or under. 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 equivalent

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 flow of economic benefit is probable.

1.15 Interest in Joint Operations

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

When a company undertakes its activities under joint operations, the company as a joint operator recognises in

relation to its interest in a joint operation:

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

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

1.16 Revenue Recognition

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

1. Cost plus contracts: Revenue from cost plus contracts is determined with reference to the recoverable costs incurred during the period and the margin as agreed with the customer.

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

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

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

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

1.17 Other income:

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

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

1.18 Insurance claims

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

1.19 Claims

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

1.20 Commitments

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

a) Estimated amount of contracts remaining to be executed on capital account and not provided for

b) Uncalled liability on shares and other investments partly paid

c) Funding related commitment to subsidiary, associate and joint venture companies and

d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.21 Foreign exchange translation and foreign currency transactions:

The functional currency and presentation currency of the Company is 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.

1.22 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 an 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 up to 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 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 Company's financial statements and the corresponding tax basis used in the computation of taxable profit.

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

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

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

1.25 Leases:

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

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

1.26 Fair value measurement

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

a. In the principal market for the asset or liability, or

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

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

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

1.27 Earnings per Share:

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

1.28 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires the company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2015)

Rs. in Lakhs

Particulars	Note	Previous GAAP	Effects of IND AS Transition	April 01, 2015	Previous GAAP	Effects of IND AS Transition	March 31, 2016
ASSETS							
Non-current assets							
a) Property, Plant and Equipment	2.1	8,358.76	-	8,358.76	5502.92	-	5,502.92
b) Capital Work in progress		-	-	-	-	-	-
c) Financial Assets							
i) Investments	2.2	155,686.40	(15,051.00)	170,737.40	152,190.20	(20,240.18)	172,430.38
ii) Trade Receivables	2.3		(13,982.25)	13,982.25		(3,261.04)	3,261.04
iii) Loans	2.4	33,588.03	15,230.96	18,357.08	86,079.05	21,235.21	64,843.84
iv) Other Financial Assets	2.5		(15,699.14)	15,699.14		(8,934.38)	8,934.38
d) Other non-current assets	2.6	36,381.85	28,798.96	7,582.89	32,200.70	11,200.39	21,000.31
	A	**234,015.05**	**(702.48)**	**234,717.53**	**275,972.86**	**0.00**	**275,972.86**
Current assets							
a) Inventories	2.7	911.09	-	911.09	3,607.75	-	3,607.75
b) Financial Assets			-			-	
i) Trade Receivables	2.8	40,311.25	(2,667.51)	42,978.76	27,936.19	-	27,936.19
ii) Cash and cash equivalents	2.9	1,481.74	679.22	802.51	2,575.74	460.35	2,115.39
iii) Bank balances other than (ii) above	2.10	-	(1,389.31)	1,389.31	-	(460.38)	460.38
iv) Loans	2.11	47,846.17	1,405.14	46,441.02	-	(137.20)	137.20
v) Other Financial Assets	2.1	-	(1,524.00)	1,524.00	-	(5,788.71)	5,788.71
c) Current tax assets (Net)		-	(1,512.18)	1,512.18	-	(1,006.48)	1,006.48
d) Other current assets	2.13	13,618.02	5,541.06	8,076.96	17,847.20	6,889.21	10,957.99
	B	**104,168.26**	**532.42**	**103,635.84**	**51,966.88**	**(43.20)**	**52,010.09**
Total	**A+B**	**338,183.31**	**(170.06)**	**338,353.36**	**327,939.75**	**(43.20)**	**327,982.95**
EQUITY AND LIABILITIES							
EQUITY							
a) Equity Share capital	2.14	740.32	-	740.32	740.32	-	740.32
b) Other Equity	2.15	73,731.41	(170)	73,901.46	76,265.39	420.28	75,845.11
	C	**74,471.73**	**(170.05)**	**74,641.78**	**77,005.71**	**420.28**	**76,585.43**

Reconciliation of equity as at date of transition (April 1, 2015)

Particulars	Note	Previous GAAP	Effects of IND AS Transition	April 01, 2015	Previous GAAP	Effects of IND AS Transition	March 31, 2016
LIABILITIES							
Non-current liabilities							
a) Financial liabilities						-	
i) Borrowings	2.16	4,904.82	-	4,904.82	2,850.75	-	2,850.75
ii) Trade payables	2.17	-	(23,454.82)	23,454.82	-	(4,027.20)	4,027.20
iii) Other financial liabilities	2.18	-	(10,259.07)	10,259.07	-	(7,545.34)	7,545.34
b) Provisions	2.19	-	(170.46)	170.46	140.60	-	140.60
c) Deferred Tax Liabilities (Net)	2.20	-	-	-	-	(151.78)	151.78
d) Other non - current liabilities	2.21	96,975.55	33,713.89	63,261.66	47,469.54	12,371.31	35,098.23
	D	**101,880.37**	**(170.46)**	**102,050.84**	**50,460.89**	**647.00**	**49,813.89**
Current liabilities							
a) Financial liabilities							
i) Borrowings	2.22	45,415.00	(20,248.76)	65,663.76	42,826.48	(7,264.99)	50,091.47
ii) Trade payables	2.23	19,516.80	(18,836.78)	38,353.58	69,359.73	(14,453.58)	83,813.31
iii) Other financial liabilities	2.24	-	(6,821.94)	6,821.94	-	(27,953.81)	27,953.81
b) Other current liabilities	2.25	78,551.82	47,608.36	30,943.46	75,585.18	50,194.29	25,390.88
c) Provisions	2.26	18,347.59	-	18,347.59	12,701.75	(311.70)	13,013.46
d) Current Tax Liabilities (Net)		-	(1,530.42)	1,530.42	-	(1,320.68)	1,320.68
	E	**161,831.20**	**170.46**	**161,660.74**	**200,473.14**	**(1,110.48)**	**201,583.62**
Total Equity and Liabilities	**C+D +E**	**338,183.31**	**(170.06)**	**338,353.36**	**327,939.75**	**(43.20)**	**327,982.95**

Reconciliation of Statement of Profit and loss for the year ended March 31, 2016

Rs. In Lakhs

Particulars	Note	Previous GAAP	Effects of IND AS Transition	Ind As
REVENUE				
I. Revenue from Operations	2.27	71,777.56	-	71,777.56
II. Other income	2.28	2,242.86	155.06	2,087.80
III. Total Revenue	**A**	**74,020.42**	**155.06**	**73,865.36**
IV.EXPENSES				
Cost of Materials & Work Expenses	2.29	52,053.05	1,886.94	50,166.12
Changes in work in progress	2.30	(2,696.66)	(1,886.94)	(809.72)
Employee Benefit Expenses	2.31	3,805.67	9.60	3,796.07
Finance Costs	2.32	10,548.51	-	10,548.51
Depreciation and amortization expense	2.10	3,227.51	-	3,227.51
Other Expenses	2.33	3,860.84	(0.00)	3,860.84
Total Expenses	**B**	**70,798.92**	**9.60**	**70,789.33**
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		3,221.49	145.46	3,076.03
VI. Exceptional Items		-	-	-
VII. Profit/(loss) before tax	**A-B**	**3,221.49**	**145.46**	**3,076.03**
VIII. Tax Expense:				
Current tax		687.51	-	687.51
Deferred tax		-	(151.78)	151.78
XI. Profit/(loss) after tax for the year		**2,533.98**	**297.24**	**2,236.75**
Other Comprehensive Income				
(a) Re Classification of Employee Defined Benefit Obligation		-	9.60	(9.60)
(b) Exchange differences on translation		-	(155.06)	155.06
(c) Increase/(Decrease) in borrowing cost pursuant to application of Effective Interest rate method		-	126.85	(126.85)
(d) Expected credit loss on fair valuation of financial assets		-	311.70	(311.70)
Total Comprehensive Income for the year		**2,533.98**	**590.33**	**1,943.65**
Earnings per equity share (Basic and Diluted)		**3.43**	0.80	**2.63**
Face value per equity share		**10.00**	-	**10.00**

Statement of Charges to Equity

Rs. in Lakhs

Particulars	General reserve	Profit & loss A/C	Share Premium A/C	Foreign Currency fluctuataion Reserve	Total
Opening balance as at 01 April, 2015	**4,632.96**	**39,955.42**	**29,313.07**	**-**	**73,901.46**
Profit for the year	-	1,943.65	-	-	**1,943.65**
Transfer to Reserves	253.40	(253.40)	-	-	**-**
Translation Movement	-	-	-		**-**
Closing Balance as on 31st March, 2016	**4,886.36**	**41,645.68**	**29,313.07**	**-**	**75,845.11**
Profit for the year	-	1,751.72	-	-	**1,751.72**
Transfer to Reserves	175.17	(175.17)	-	-	**-**
Other Movements	-	(20.73)	-	-	(20.73)
Closing Balance as on 31st March 2017	**5,061.53**	**43,201.49**	**29,313.07**	**-**	**77,576.10**

2.1 Property, Plant & Equipment

Rs. In Lakhs

Particulars	Land	Building	Plant & Equipment	Tippers & Trucks	Furniture & Fixtures	Vehicles	Centering Material	Temporary Structures	Computers	Capital Work In Progress	Total
Gross carrying value											
As at 1 April 2015	1,299.99	21.67	32,132.20	11,578.45	1,164.74	1,934.42	1,951.04	3,104.14	378.80	-	**53,565.44**
Additions	86.80	-	68.64	454.44	31.63	6.62	48.05	31.68	4.71	9.97	**742.54**
Disposals	(50.67)	-	(872.38)	(746.91)	(0.16)	(57.35)	-	-	-	-	**(1,727.47)**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2016	**1,336.12**	**21.67**	**31,328.47**	**11,285.97**	**1,196.21**	**1,883.68**	**1,999.09**	**3,135.82**	**383.51**	**9.97**	**52,580.51**
Additions	7.00	-	109.97	2,114.39	59.50	11.72	116.79	41.45	19.26	157.15	**2,637.24**
Disposals	(111.60)	-	(709.93)	(438.34)	-	(10.69)	-	-	-	-	**(1,270.57)**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017	**1,231.51**	**21.67**	**30,728.51**	**12,962.02**	**1,255.71**	**1,884.71**	**2,115.89**	**3,177.27**	**402.77**	**167.12**	**53,947.18**
Accumulated depreciation											
As at 1 April 2015	-	3.75	28,970.24	9,715.19	634.95	1,254.28	1,947.27	2,386.97	294.02	-	**45,206.68**
Depreciation during the year	-	1.08	1,614.77	1,267.55	114.73	145.87	27.70	30.84	24.98	-	**3,227.51**
Accumulated depreciation on disposals	-	-	(615.54)	(706.46)	-	(34.61)	-	-	-	-	**(1,356.60)**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2016	**-**	**4.83**	**29,969.48**	**10,276.29**	**749.68**	**1,365.53**	**1,974.97**	**2,417.81**	**319.00**	**-**	**47,077.59**
Depreciation during the year	-	1.08	1,335.20	861.52	103.02	125.48	33.32	42.21	11.72	-	**2,513.55**
Accumulated depreciation on disposals	-	-	(688.59)	(407.44)	-	(26.77)	-	-	-	-	**(1,122.80)**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31 March 2017	**-**	**5.90**	**30,616.09**	**10,730.36**	**852.70**	**1,464.24**	**2,008.29**	**2,460.03**	**330.72**	**-**	**48,468.33**
Net Carrying Value											
As at 1 April 2015	1,299.99	17.92	3,161.96	1,863.25	529.80	680.14	3.77	717.17	84.78	-	**8,358.76**
As at 31 March 2016	1,336.12	16.84	1,358.99	1,009.68	446.54	518.15	24.12	718.00	64.51	9.97	**5,502.92**
As at 31 March 2017	**1,231.51**	**15.76**	**112.42**	**2,231.66**	**403.01**	**420.47**	**107.59**	**717.25**	**72.05**	**167.12**	**5,478.85**

2.2 INVESTMENTS

Rs. In Lakhs

Particulars	No. of Shares Held as at 31 March 2017	As at 31 March 2017	No. of Shares Held as at 31 March 2016	As at 31 March 2016	No. of Shares Held as at 1 April 2015	As at 1 April 2015
1) INVESTMENTS IN EQUITY INSTRUMENTS						
(i) SUBSIDIARIES						
In Shares of Rs.10 each, fully paid up (otherwise specified)						
1) Madhucon Infra Limited.	1,222,027,045	122,202.70	1,222,027,045	122,202.70	1,222,027,045	122,202.70
2) Madurai Tuticorin Expressways Limited	88,561,500	8,856.15	88,561,500	8,856.15	88,561,500	8,856.15
3) Simhapuri Energy Limited	111,780,714	22,727.00	64,170,714	17,966.00	64,170,714	17,966.00
4) Nama Hotels Private Limited.	27,121,200	2,712.12	27,121,200	2,712.12	27,121,200	2,712.12
6) PT Madhucon Indonesia	760,000	350.97	760,000	350.97	1,565,000	722.72
7,60,000 Ordinary Shares of Indonesia Rph 10,110						
7) TN (DK) Expressways Limited	100,000	10.00	100,000	10.00	100,000	10.00
8) Trichy Thanjavur Expressways Limited	100,000	10.00	100,000	10.00	100,000	10.00
9) Chhapra Hajipur Expresways Limited	100,000	10.00	100,000	10.00	100,000	10.00
10) Madhucon Toll Highways Limited	30,000	3.00	30,000	3.00	30,000	3.00
11) Madhucon Mega Mall Private Limited.	20,000	2.00	20,000	2.00	20,000	2.00
12) Madhucon Heights Private Limited	20,000	2.00	20,000	2.00	20,000	2.00
13) Barasat-Krishnagar Expressways Limited	14,000	1.40	14,000	1.40	14,000	1.40
14) Ranchi Expressways Limited	14,000	1.40	14,000	1.40	14,000	1.40
15) Madhucon Natural Resources Limited (Singapore)	750	0.21	750	0.21	750	0.21
Shares of S$ 1/-each						
16 Agastyamuni Hydro Power Private Limited	-	-	-	-	-	0.60
17 Rajauli Bakhtiyapur Expressways Ltd	-	-	-	-	-	1.20
18 Ramnagar Power Private Ltd	-	-	-	-	-	1.00
19 Rudraprayag Hydro Power pvt Ltd	-	-	-	-	-	0.60
20 Tilvara Hydro Power Private Ltd	-	-	-	-	-	0.60
21 Vijayawada machilipatnam Expressways Ltd	-	-	-	-	-	0.80
22 MBN Anchored Earth Ltd	-	-	-	-	4,861,500	4.00
23 PT Madhucon Sriwijaya Power	-	-	-	-	-	2,629.50
24 Madhucon Energy Limited	-	-	-	-	-	5.00
25 Others-Subsidiary Companies*	-	-	-	-	5,130,090	-

Particulars	No. of Shares Held as at 31 March 2017	As at 31 March 2017	No. of Shares Held as at 31 March 2016	As at 31 March 2016	No. of Shares Held as at 1 April 2015	As at 1 April 2015
(ii) Associates:						
In Shares of Rs.10 each, fully paid up (otherwise specified)						
26 Madhucon Agra Jaipur Expressways Limited	-	-	100,000	10.00	100,000	10.00
27 Madhucon Properties Limited	20,000	2.00	20,000	2.00	20,000	2.00
28 Madhucon Sugar & Power Industries Ltd	-	-	-			481.15
(iii) Others:						
In Shares of Rs.10 each, fully paid up (otherwise specified)						
29 Rajanagaram Gas Power Private Limited	488,080	48.81	488,080	48.81	488,080	48.81
30 Canara Bank Limted	4,100	1.44	4,100	1.44	4,100	1.44
2) OTHER INVESTMENTS						
1 Nama Hotels Private Limited	-	5,500.00	-	5,500.00		5,500.00
2 Madhucon Megamall Private Limited	-	3,500.00	-	3,500.00		3,500.00
3 Ranchi Expressways Limited.	-	5,616.00	-	5,616.00		5,616.00
4 PT Madhucon Indonesia	-	3,573.18	-	3,573.18		-
5 Madurai Tuiticoran Expressways Limited	-	435.00	-	435.00		435.00
6 Chhapra Hajipur Expressways Limited	-	1,616.00	-	1,616.00		-
Total		**177,181.38**		**172,430.38**		**170,737.40**

(1) Aggregate of Investments	**As at 31 March 2017**		**As at 31 March 2016**		**As at 1 April 2015**	
	Cost	**Market Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
Quoted Investments	1.44	12.42	1.44	7.79	1.44	14.56
Unquoted Investments	177,179.94	-	172,428.94	-	170,735.96	-
Grand Total	**177,181.38**	**12.42**	**172,430.38**	**7.79**	**170,737.40**	**14.56**

2.3 TRADE RECEIVABLES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Un Secured, Considered good			
- from related parties	615.55	621.59	8,221.02
-from others	2,434.97	2,639.45	5,761.23
Total	**3,050.52**	**3,261.04**	**13,982.25**

2.4 LOANS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
(a) Security Deposit	434.63	420.40	11.88
(b) Loans to related parties	13,181.18	64,423.44	-
1) Simhapuri Energy Limited.	-	-	4,688.92
2) PT Madhucon Indonesia.	-	-	4,469.62
3) Barasat Krishnagar Expressways Limited.	-	-	4,715.00
4) Nama Investments Limited.	-	-	3,899.35
5) Madhucon Mega Mall Private Limited	-	-	133.65
6) NNR Infra Investment Private Limited.	-	-	438.66
Total	**13,615.81**	**64,843.84**	**18,357.08**

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

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

(iii) The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated. According to the books of accounts, the closing balance as at March 31, 2017 with respect to Nama Investments Limited and NNR Investments Limited are Rs.4189.34 Lakhs and Rs.511.59 Lakhs respectively.

2.5 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) Bank Deposits with more than 12 months maturity	878.48	876.28	-
2) Earnest Money Deposits	841.56	497.05	343.68
3) Other receivables from related parties	9,217.85	6,441.65	69.43
4) Retention money deposit	1,201.88	883.24	149.09
5) Others	999.45	236.17	15,136.94
Total	**13,139.22**	**8,934.38**	**15,699.14**

2.6 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Capital Advances	3,442.62	3,442.62	3,442.62
(b) Advances other than capital advances	2,500.91	931.05	1,228.24
(c) Other advances	13,552.23	-	2,275.94
- Related party advances	2,037.68	2,071.32	57.10
- Others	3,107.20	14,555.32	578.99
Total	**24,640.64**	**21,000.31**	**7,582.89**

2.7 INVENTORIES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Raw materials	3,427.21	2,517.02	630.08
b) Work-in-progress	511.18	1,090.73	281.01
Total	**3,938.39**	**3,607.75**	**911.09**

2.8 TRADE RECEIVABLES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Un Secured, Considered good			
- from related parties	10,094.16	23,635.05	35,202.82
- from others	3,498.22	4,301.14	7,775.94
Total	**13,592.38**	**27,936.19**	**42,978.76**

2.9 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Balances with Banks			
i) Current Accounts	1,698.44	1,803.55	739.67
ii) FDR With Banks	7.61	7.61	6.86
iii)Balances with Banks for Unpaid Dividend	23.04	9.68	9.69
b) Cheques, drafts on hand	-	-	25.06
c) Cash on hand	17.50	294.55	21.23
Total	**1,746.59**	**2,115.39**	**802.51**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 pursuant to the requirement of Notification G.S.R. 308(E) dated 30th March 2017

Sl.No.	Particulars	SBNs	Other denomination Notes	Total Rs. In Lakhs
1	Closing cash in hand as on 08.11.2016	105.12	39.93	145.05
2	(+) Permitted Receipts	-	144.36	144.36
3	(-) Permitted Payments	-	166.84	166.84
4	(-) Amount deposited in Banks	105.12	-	105.12
5	**Closing cash in hand as on 30.12.2016**	**-**	**-**	**17.45**

2.10 BANK BALANCES OTHER THAN (ii) ABOVE

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Margin money and other deposits with banks	518.53	460.38	1,389.31
Total	**518.53**	**460.38**	**1,389.31**

2.11 LOANS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
(a) Security Deposit	144.85	137.20	12.15
(b) 1) Nama Hotels Private Limited..	-	-	1,448.20
2) Madhucon Heights Private Limited.	-	-	7,340.97
3) Madhucon Infra Limited	-	-	37,639.69
Total	**144.85**	**137.20**	**46,441.02**

2.12 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) Retention money deposit	1,519.80	1,336.27	-
2) Other receivables from related parties	1,845.13	2,907.43	1,146.22
3) Others	735.47	1,545.01	377.78
Total	**4,100.39**	**5,788.71**	**1,524.00**

2.13 OTHER CURRENT ASSETS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Advances other than capital advances			
Other Deposits	0.46	0.46	39.72
b) Advances to related parties	-	-	4.33
Advances other than capital advances	3,298.00	4,437.94	4,270.66
- Others	813.69	6.24	876.22
c) Other advances	9,304.30	6,513.35	2,886.03
Total	**13,416.45**	**10,957.99**	**8,076.96**

2.14 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Authorized Share Capital			
30,00,00,000 Equity Shares of Re.1/-each	3,000.00	3,000.00	3,000.00
20,00,000 Redeemable Preference Shares of Rs. 100/- each	2,000.00	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
b) Issued, Subscribed & Called up Capital:			
7,42,68,940 Equity Shares of Re. 1/- each	742.69	742.69	742.69

c) Fully paid up Capital:			
7,37,94,940 Equity Shares of Re.1/- each	737.95	737.95	737.95
Add: Forfeited Shares Amount originally paid up	2.37	2.37	2.37
Total	**740.32**	**740.32**	**740.32**

d) Reconciliation of the Number of Shares Outstanding

Equity Shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Value	Number	Value	Number	Value
Shares outstanding at the beginning of the year	73,794,940	737.95	73,794,940	737.95	73,794,940	737.95
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the year end	**73,794,940**	**737.95**	**73,794,940**	**737.95**	**73,794,940**	**737.95**

Terms/ Rights attached to Shares:- The Company has only one class of paid-up equity shares having par value of Re.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 shareholders.

e) Shares in the company held by each shareholder holding more than 5 percent shares.

Name of the Equity Share holders	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of Shares held	%of Share holding	Number of Shares held	%of Share holding	Number of Shares held	%of Share holding
1) Nama Nageswara Rao	10,732,622	15	10,732,622	15	10,732,622	15
2) Madhucon Granites Limited	8,044,000	11	8,044,000	11	8,044,000	11
3) Nama Chinnamma	6,158,000	8	6,158,000	8	6,158,000	8
4) Nama Seethaiah	6,001,800	8	6,001,800	8	6,001,800	8
Total	**30,936,422**	**42**	**30,936,422**	**42**	**30,936,422**	**42**

f) Bonus Shares/ Buy back shares for Consideration other than cash being received 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**

2.15 OTHER EQUITY

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(a) Securities Premium		29,313.07		29,313.07		29,313.07
(b) General Reserve						
Opening Balance	4,886.36		4,632.96		4,139.56	
Add: Additions during the year	175.17	5,061.53	253.40	4,886.36	493.40	4,632.96
Closing Balance						
(c) Surplus						
Opening Balance	41,645.68		39,955.43		36,436.20	
Translation Movement	68.10		-		-	
Fixed Assets Written off as per companies act 2013	-		-		(915.74)	
Add: Net profit/(Net Loss) for the current year	1,751.72		1,943.65		4,934.04	
Proposed Dividend	(73.79)		-		(147.59)	
Adjustment for Processing Fee	-		-		170.05	
Dividend Distribution Tax	(15.02)		-		(28.13)	
Transfer to Reserves	(175.17)	43,201.49	(253.40)	41,645.68	(493.40)	39,955.43
Closing Balance						
Total (a)+(b)+(c)		**77,576.10**		**75,845.11**		**73,901.46**

2.16 BORROWINGS

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
Secured :						
a) Term Loans						
i) From banks	-	-	-	206.16	-	-
ii) From other parties	2,465.23	3,093.80	2,850.75	3,657.33	4,904.82	-
Total	**2,465.23**	**3,093.80**	**2,850.75**	**3,863.50**	**4,904.82**	**-**

Notes for Long Term Borrowings From Banks and Financial Institutions

Term Loans from Banks:

i) ICICI Bank Limited: *Secured by the first Pari-passu charge on the current assets and second Pari-passu charge on movable fixed assets of the company.*

Term Loans from Financial Institutions:

(i) Srei Equipment Finance Limited : *Secured by Subservient charge on movable fixed assets of the company worth Rs. 108 Crores.*

(ii) Mahindra & Mahindra Financial Services Limited : *Secured by hypothecation of tippers financed through the loan arrangements.*

Sl.No	Particulars	No.of Instalments	Rate of Interest	Outstanding	Repayment terms	Period of Maturity
1	*SREI Equipment Finance Limited*	*34*	*11%*	*6,113.87*	*Monthly*	*Jan-18*
2	*Mahindra & Mahindra Financial Services Limited*	*17*	*11.52%*	*380.68*	*Monthly*	*Feb-20*
			TOTAL	***6,494.55***		

2.17 TRADE PAYABLES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) For supplies and services	-	-	11,042.24
2) Retention money deposits	5,378.36	3,558.99	7,723.75
3) With held	1,380.50	468.21	4,687.56
4) Performance Security	-	-	1.27
Total	**6,758.86**	**4,027.20**	**23,454.82**

2.18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Amounts payable to related parties	6,200.86	5,717.51	8,040.57
b) Others	1,693.27	1,827.83	2,218.50
Total	**7,894.13**	**7,545.34**	**10,259.07**

2.19 PROVISIONS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
i) Provision for Gratuity	117.49	116.85	141.16
ii) Provision for Earn Leave	28.78	23.75	29.30
Total	**146.27**	**140.60**	**170.46**

2.20 DEFERRED TAX LIABILITIES (NET):

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
i) Opening Balance	151.78	-	-
ii) Timing difference	129.65	151.78	-
iii) Other Adjustments	(151.78)	-	-
Total	**129.65**	**151.78**	**-**

2.21 OTHER NONCURRENT LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) Mobilization Advance	14,837.93	28,811.14	51,130.26
2) Material advance	69.36	6,287.09	12,004.03
3) Other	-	-	127.37
Total	**14,907.29**	**35,098.23**	**63,261.66**

2.22 BORROWINGS:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured:			
Loans repayable on demand			
i) From banks	53,789.41	50,091.47	53,602.72
ii) From other parties	-	-	12,061.03
Total	**53,789.41**	**50,091.47**	**65,663.76**

2.23 TRADE PAYABLES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) For supplies and services	32,925.45	71,006.38	33,225.81
2) Retention money deposits	6,447.55	8,548.89	5,079.11
3) With held	3,518.27	4,258.04	48.66
Total	**42,891.27**	**83,813.31**	**38,353.58**

2.24 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Current maturities of Long term debt	-	206.16	-
b) Current maturities and finance lease obligations	3,093.80	3,657.33	-
c) Interest accrued	2,059.33	760.59	-
d) Unpaid dividends	22.83	9.68	10.62
e) Application money received for allotment of securities to the extent refundable	-	-	-
f) Others	11,412.79	23,320.05	6,811.32
Total	**16,588.75**	**27,953.81**	**6,821.94**

Delay in repayment of prinicipal and interest to banks and Financial Institutions as on 31-03-2017

Name of the Bank / Financial Institution	*Principal (Rs.in Lakhs)*	*Period of delay*	*Interest (Rs.in Lakhs)*	*Period of delay*
(i) Bank of India- CC A/c	1767.95	121-263 days	*164.71*	*180-247 days*
(ii) State Bank of India- CC A/c			*179.20*	*31-59 days*
(iii) Kotak Mahindra Bank - CC A/c	-		*123.17*	*31-59 days*
(iv) IDBI - CC A/c			*77.70*	*0-30 days*
(v) OBC - CC A/c			*53.45*	*0-5 days*
(vi) ICICI - CC A/c - 1			*144.17*	*180-243 days*
(vii) ICICI - CC A/c -2			*317.61*	*180-243 days*
Sub Total (i)	**1,767.95**		**1,060.01**	
(i) Srei Equipment Finance Limited	1,246.10	*28-179 days*	*204.94*	*28-179 days*
Sub Total (ii)	**1,246.11**		**204.94**	
Total (i+ii)	**3,014.06**		**1,264.95**	

2.25 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
1) Revenue received in advances	12,709.27	15,382.45	13,105.93
2) Mobilization Advance	11,079.27	4,175.62	10,501.84
3) Machinery Advance	412.49	3,611.48	-
4) Material advance	3,162.35	2,221.33	4,170.59
5) Other advances from related parties	21,075.65	-	122.64
6) Other Liabilities	-	-	3,042.46
Total	**48,439.03**	**25,390.88**	**30,943.46**

2.26 PROVISIONS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
i) Provision for gratuity	8.95	14.71	-
ii) Provision for earn Leave	2.19	4.18	-
Others			
i) Provision for taxation	1,265.00	687.51	2,575.86
ii) Provision for expenses	406.85	11,995.35	15,697.94
Provision for others	870.63	311.71	73.79
Total	**2,553.62**	**13,013.46**	**18,347.59**

2.0 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

2.27 REVENUE FROM OPERATIONS:

Rs. In Lakhs

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Revenue from Operations:		
a) Operating Income		
(i) Civil Engineering Projects	67,496.17	69,736.91
b) Other Operating Income		
(i) Sale of Metal, Scrap & Others	1,811.07	2,040.65
Total	**69,307.24**	**71,777.56**

2.28 OTHER INCOME

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Interest Income	464.44	479.55
(b) Other Non-operating Income	1,263.55	1,607.82
(c) Dividend Income	-	0.43
Total	**1,727.99**	**2,087.80**

2.29 A. COST OF MATERIALS

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Opening stock of raw materials	2,517.02	630.08
Add: Purchases		
(a) Cement	1,896.84	1,197.40
(b) Steel	4,066.07	1,963.76
(c) Bitumen	4,480.70	3,566.59
(d) General Stores	2,602.91	1,805.15
(e) Other Materials	9,918.88	6,576.70
Closing stock of raw materials	(3,427.20)	(2,517.02)
Total (A)	**22,055.22**	**13,222.66**

B. WORK EXPENSES

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Road Work Expenses	8,221.31	8,735.09
(b) Civil Works Expenses	4,314.37	3,462.26
(c) Earth Work Expenses	9,559.54	23,520.38
(d) Repairs & Maintenance	1,776.51	1,225.73
Total (B)	**23,871.73**	**36,943.46**
Total (A+B)	**45,926.95**	**50,166.12**

2.30 CHANGES IN WORK IN PROGRESS

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Opening Work-in-Progress	1,090.73	281.01
(b) Closing Work-in-Progress	(511.18)	(1,090.73)
(Increase)/Decrease in Work-in-Progress	**579.55**	**(809.72)**

2.31 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Salaries & Wages and Bonus	4,084.79	3,519.27
(b) Contribution to provident and other funds	8.77	13.03
(c) Staff Welfare Expenses	449.85	263.77
Total	**4,543.41**	**3,796.07**

2.32 FINANCE COST

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
(a) Interest Expense	8,509.71	9,905.85
(b) B.G. Commission	1,315.92	642.66
Total	**9,825.63**	**10,548.51**

2.33 OTHER EXPENSES

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Other Non-operating Expenses		
(a) Travelling Expenses	147.83	125.05
(b) Security Expenses	271.35	238.38
(c) Insurance Charges	350.54	64.03
(d) Consultancy charges	286.64	164.92
(e) Rent	348.17	339.33
(f) Rates & Taxes	266.52	703.20
(g) Bad Debts Written off	-	1,756.97
(h) Other Administrative Expenses	3,015.01	468.96
Total	**4,686.08**	**3,860.84**

OTHER NOTES ON ACCOUNTS:

2.34 Contingent Liabilities not provided for:

('In Lakhs)

S.No	Particulars	As at 31.03.2017	As at 31.03.2016
1	Bank Guarantees/Letter of Credit issued by the banks on behalf of the Company.	62,272.10	52,882.67
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	81,387.00	81,387.00
3	Disputed Sales Tax (on appeal)	7,225.12	5,795.52
4	Income Tax demand contested in appeal	9,531.77	8,760.42

2.35 The long term unquoted investments in equity shares of subsidiary companies as given here under and included in Note No.2.11 are pledged with Banks and Financial Institutions which have extended loan facilitates to the respective investee companies.

S.No	Investee Company	No of Shares pledged	
		2016-17	2015-16
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	3,27,21,965

2.36 Remuneration to auditors:

(' Lakhs)

S.No	Particulars	2016-17	2015-16
1	Statutory Audit Fee	22.00	22.00
2	Tax Audit Fee	3.00	3.00

2.37 Segmental Reporting:

The Company's operations predominantly consist of construction/project activities. Hence there are no reportable segments under Accounting Standard–17.

2.38 Disclosure in accordance with IND AS 11 Construction contracts

Particulars	Rs. In Lakhs	
	2016-17	2015-16
Contract revenue recognised	67,496.17	39,736,91
Aggregate contract costs up to reporting period for ongoing projects	350,208.91	290,314.52
Amount of advances received	39,355.85	47,537.00
Retention money for ongoing projects	2,363.96	1,837.64
Trade receivables	4,366.66	8,226.78

2.39 Micro & Small Enterprises: The Management has taken steps to identify the enterprises which have provided goods & services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2017 has been made in the financial

statements based on information received and such amount outstanding as on 31st March, 2017 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.

2.40 In accordance with Accounting Standard 11(revised) the net exchange gain/(Loss) creditedt o profit & loss account is Rs.204.59 lakhs (previous year net exchange loss debited Rs.155.06 lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs. Nil (previous year: Rs. Nil).

2.41 Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 (wherever applicable).

('In Lakhs)

	2016-17	2015-16
Foreign Exchange Earnings & Out go :		
I. Advance against Sale of Equity Shares	-	-
II. **Foreign Exchange Out Go** :		
1. Towards Traveling	12.48	10.17
2. Towards Import of Capital Goods (CIF)	-	-
3. Towards payment to Materials	57.78	29.75
On Account of Others :		
4. For Creditors	-	97.38
5. Interest	-	17.17
6. Loan Repayment	-	8.84

2.42 Related Party Transactions:

(I) Following are the list of related parties

A. Subsidiary Company

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

B. Step down Subsidiaries

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

C. Associates

16. Madhucon Properties Limited.

D. Enterprises where Significant Influence Exists

17. Nama Investments Limited
18. Madhucon Info Tech Limited

19. Madhucon Land Developers Limited
20. Madhucon Estates Limited
21. Nama Properties Limited
22. NNR Infra Investments Private Limited
23. Rajanagaram Gas Power Private Limited
24. Madhucon Stone Crushers Private Limited
25. Madhucon Mineral Resources Limited
26. Nama Energy Private Limited
27. Bima Quarrying Pvt Ltd

E. Joint Ventures

19. Madhucon Sino-Hydro JV

F. Key Management Personnel:

20. Sri Nama Seethaiah — Managing Director
21. Sri K. Srinivasa Rao — Whole-time Director
22. Sri Md Shafi — Director

G. Relatives:

23. Sri Nama Krishnaiah
24. Sri Nama Nageswara Rao
25. Sri Nama Rama Rao

(II) Related Party Transactions during the year ended 31st March, 2017are as follows:

(Rs.In Lakhs)

Particulars of Transactions	Subsidiaries	Associ-ates	Step Down Subsidiaries	Jointly Controlled/ entities and ventures	Key Management Personnel and Relatives	Enterprises Owned Or Significantly influenced By Key Management Personnel Or Their Relatives
Sales/Contract Receipts	-	-	27,198.89	3,519.90	-	-
Rent Paid	-	-	-	-	58.37	-
Remuneration	-	-	-	-	110.00	-
Investments	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-
Corporate Guarantees	31,000.00	-	50,387.00	-	-	-
Bank Guarantees	-	-	11,730.00	-	-	-
Loans/Advances Given	69.66	0.44	27.56	-	-	341.72
Loans/Advances Received	51,583.39		2,800.00	-	-	-
Trade Receivables	615.55	-	9,190.76	-	-	-
Year end balances in Financial Assets	19,634.80	-	6,580.90	1,682.20	23.06	4,863.25
Year end balances in Financial liabilities	-	401.83	25,073.44	-	262.89	1,908.36

(III) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2016-17

Particulars of Transactions	Rs. in Lakhs
Sales/Contract Receipts:	
Chhapra Hajipur Expressways Limited	7,518.73
Ranchi Expressways Limited	19,680.16
Madhucon Syno Hydro JV3519.90	
Rent Paid:	
Sri. Nama Seethaiah	58.37
Remuneration:	
Sri Nama Seethaiah	60.00
Sri K. Srinivasa Rao	30.00
Sri Md. Shafi	20.00
Investments:	-
Corporate Guarantees:	
Madhucon Heights Private Limited	1,000.00
Madhucon Infra Limited	120,000.00
Simhapuri Energy Limited5,000.00	
Chhapra - Hajipur Expressways Ltd	8,500.00
Ranchi Expressways Ltd21,555.00	
Barasat Krishnagar Expressways Ltd	15,332.00
Bank Guarantees:	
Barasat Krishnagar Expressways Limited	4,335.00
Ranchi Expressways Limited	7,395.00
Loans/Advances Given/(Received):	
Madhucon Infra Limited	(51,583.39)
Simhapuri Energy Ltd	(2,800.00)

2.43 Earnings per Share:

S.No	Particulars	As at 31.03.2017	As at 31.03.2016
A	Profit computation for basic earnings Net Profit as per Profit & Loss Account Available for equity shareholders.(Rs. Lakhs)	1,751.72	1,943.65
B	Weighted average number of equity shares For EPS computation. (Nos.)(For Basic EPS)	7,37,94,940 of Re.1/-each	7,37,94,940 of Re.1/-each
C	EPS (weighted average) (Rs)	2.37	2.63

As per our Report of even date attached
For Kota & Company
Chartered Accountants

K.S.R.K. Prasad
Partner

Place: Hyderabad
Date: 03-06-2017

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts



CONSOLIDATED FINANCIAL STATEMENTS

2016-2017

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Madhucon Projects Limited ('the Company') and its subsidiaries (together referred to as 'the Group'), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs, consolidated profit or loss, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and jointly controlled entities are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and jointly controlled entities, which are incorporated in India are responsible for maintenance of adequate accounting records for safeguarding the assets 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10)of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Opinion

The Independent Auditors of certain subsidiaries have qualified their audit report on the financial statements for the year ended 31 March 2017 reproduced by us as under:

i. Due to termination of the project allotted by National Highway Authority of India NHAI to Barasat-Krishnagar Expressways Limited ('BKEL'), which is a subsidiary to the Company, going concern assumption is not appropriate and financial statements have been drawn accordingly. Cost incurred on the project up to March 31, 2017 Rs. 56992.79 lakhs instead of writing-off, has been accounted as NHAI claims receivable under the head "Other Current Assets" which is in contravention of the provisions of Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets Rs.56992.79 lakhs and understatement of loss for the year by Rs. 3958.31 lakhs and cumulative loss by Rs. 56992.79 lakhs.

ii. As the project of the Rajouli-Bhaktiyrarpur Expressways Limited ('RBEL'), which is a subsidiary to the Company has been foreclosed with mutual consent, cost incurred on the project up to March 31, 2017 Rs.815.40 lakhs instead of writing-off, has been accounted as claims receivables under the head "Other Current Assets" which is in contravention of the provisions of Accounting Standard 37 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in overstatement of Current Assets Rs.815.40 lakhs and understatement of cumulative loss by the same amount.

iii. The termination of the Concession Agreement and pending settlement of the claim by NHAI till date indicate the existence of a material uncertainty that cast significant doubt about the ability of Vijayawada-Machilipatnam Expressways Limited ('VMEL'), which is a subsidiary to the Company to continue as going concern.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures referred to below in Other Matters paragraph, except for the possible effects of the matters described in the above three paragraphs, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2017, and their consolidated loss, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

i) **Note No. 2.45 (i)** to the financial results, in relation to Madhucon Mega Mall Private Limited (MMMPL) a subsidiary of the company incorporated for developing shopping mall cum multiplex on leased land taken from Andhra Pradesh Housing Board (now known as Telangana Housing Board) ("the Board") at Kukatpally in Hyderabad. The Board issued letter for revoking the power of attorney and resumption of land. The Company got a status quo order from court and the case is pending in that court. Taking in to account the constitution of and visit made by cabinet subcommittee of Telangana Government, management internal assessment and legal opinion obtained, management of the company is confident in succeeding the case and financials are prepared on going concern basis.

ii) **Note No. 2.45 (ii)** to the financial statements indicates that the outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated therein.

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

iii) **Note No. 2.45 (iii)** to the Statement, "Barasat - Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in West Bengal State. The Construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the projects to NHAI on 31st December, 2015. BKEL and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI Had also issued notice

for termination of the project vide its letter dated 3rd May, 2016 and BKEL had replied that the notice is not valid. Both BKEL and NHAI appointed arbitrators. The arbitration proceedings are in progress".

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

iv) **Note No. 2.45 (iv)** to the Statement, that the Project of Rajauli - Bakhtiyarpur Expressways Limited ('RBEL'), a subsidiary company has been foreclosed with mutual consent, therefore, going concern assumption is not appropriate and financial statements of RBEL have been drawn accordingly.

v) **Note No. 2.45 (v)** to the Statement, that as per the books of account, EPC work executed up to March 31, 2017 in Ranchi Expressways Limited ('REL'), a subsidiary company is Rs.78517.83 lakhs whereas the work executed as certified by lender's independent engineer up to March 31, 2017 is Rs. 73503.38 lakhs resulting a difference of Rs.5014.44 lakhs.

vi) **Note No. 2.45 (vi)** to the Statement, "Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a subsidiary to the Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Km.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT (Toll) Basis, under NHDP Phase III . This project was awarded by National Highway Authority of India (NHAI). The Company was to hand over the Project Highway to NHAI on the expiry of the Concession Period of 20 years.

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

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

Our opinion is not qualified in respect of these matters.

Other Matters

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and jointly controlled entities, referred in Other Matters paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors

c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal controls over financial reporting of the Company, its subsidiary companies, associate companies covered under the Act and the operating effectiveness of such controls, refer to our separate Report in 'Annexure';

g) With respect to the other matters to be included in he Auditor's Report in accordance with Rule 11of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries:

i. The Group has disclosed the impact of pending litigations if any on its consolidated financial position in its consolidated financial statements.

ii. The Group has made provision, as required under applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts. .

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies and associate companies.

iv. Based on audit procedures performed, management representations obtained and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

v. The Group has provided requisite disclosures in the standalone financial statements as to holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016.Based on audit procedures performed by us and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities which, as the case may be, were produced before us or other auditors by the managements of the respective Group entities.

For Kota & Company
Chartered Accountants
FRN: 011982S

K.S.R.K. Prasad
Partner
M.No.022964

Date : June 3, 2017
Place: Hyderabad

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section143of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Madhucon Projects Limited ('the Company'), its subsidiaries, and its associates as at and for the year ended 31March 2017, we have audited the internal financial controls over financial reporting of the Company, its subsidiary companies and associate companies, which are companies incorporated in India, as at that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies and associate companies which are companies incorporated in India, are 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('theICAI').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 the company's business, including adherence to the company's policies, the safeguarding of the company's 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies and its associate companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 systems on 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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 controls over financial reporting includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the Company, its subsidiary companies and associate companies which are companies incorporated in India, have 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 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness on the Internal financial controls over financial reporting in so far as it relates to six subsidiary companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies and the auditors of three subsidiary companies commented that the three companies are in the process of establishing their internal financial controls over financial reporting.

For Kota & Company
Chartered Accountants
FRN: 011982S

K.S.R.K. Prasad
Partner
M.No.: 022964
Place : Hyderabad
Date : June 3, 2017

Statement of Consolidated Assets and Liabilities as at 31st March, 2017

Rs. In Lakhs

S. No.	Particulars	Note No.	Figures As at the end of 2016-17	Figures As at the end of 2015-16	Figures As at the beginning of 2015-16
1	2	3	4	5	6
1	**ASSETS**				
	Non-current assets				
	(a) (i) Property, Plant and Equipment	2.1	342,771.11	369,457.00	366,190.78
	(ii) Capital Work in Progress		15,036.77	15,069.54	16,557.84
	(iii) Intangible Assets		136,332.91	159,456.88	175,649.46
	(iv) Lease Receivables		84,231.89	57,989.64	58,655.53
	(v) Intangible Assets Under Development		-	-	36,341.15
	(vi) Investment Properties		38.77	61.46	61.46
	(b) Financial Assets				
	(i) Investments	2.2	42.57	51.18	1,221.55
	(ii) Trade receivables	2.3	2,434.98	2,735.10	8,111.27
	(iii) Loans	2.4	3,833.67	3,483.82	4,351.08
	(iv) Others Financial Assets	2.5	11,502.77	3,951.31	9,670.79
	(c) Deferred Tax Asset	-	-	1,873.28	-
	(d) Other non-current assets	2.6	153,319.41	89,342.28	55,402.35
	Sub-total - Non-current assets		**749,544.84**	**703,471.50**	**732,213.26**
2	**Current assets**				
	(a) Inventories	2.7	6,530.40	11,958.72	12,461.19
	(b) Financial Assets				
	(i) Investments	2.8	57.51	55.65	48.06
	(ii) Trade receivables	2.9	21,028.25	40,266.69	18,794.83
	(iii) Cash and cash equivalents	2.10	114.13	376.24	156.38
	(iv) Bank balances other than (iii) above	2.11	7,669.44	15,266.77	8,728.82
	(v) Loans	2.12	144.85	17,534.53	373.55
	(vi) Others Financial Assets	2.13	26,968.07	17,833.68	9,103.57
	(c) Current tax asset (net)	-	1,724.42	1,097.31	1,936.50
	(d) Other current assets	2.14	19,580.78	37,698.43	9,952.43
	Sub-total - Current assets		**83,817.84**	**142,088.02**	**61,555.33**
	Total Assets		**833,362.68**	**845,559.52**	**793,768.59**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	2.15	740.32	740.32	740.32
	(b) Other Equity	2.16	(82,921.27)	(29,624.99)	(51,797.55)
	Less: Profit/(Loss) from Associates		(9.73)	(6.10)	682.95
	MINORITY INTEREST		11,148.34	16,484.66	17,714.15
	Sub-total - Equity		**(71,042.34)**	**(12,406.11)**	**(32,660.12)**
	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	2.17	481,749.39	456,403.24	494,503.03
	(ii) Trade payables	2.18	8,873.81	10,914.39	23,454.82
	(iii) Other financial liabilities	2.19	1,214.22	7,545.34	11,097.03
	(b) Provisions	2.20	7,199.16	12,928.28	17,038.87
	(c) Deferred Tax Liabilities (Net)	2.21	134.68	156.81	265.06
	(d) Other non-current liabilities	2.22	4,856.89	1,694.20	11,303.62
	Sub-total - Non-current liabilities		**504,028.16**	**489,642.24**	**557,662.42**
2	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	2.23	147,537.55	183,651.73	86,960.01
	(ii) Trade payables	2.24	47,111.19	86,474.36	44,799.06
	(iii) Other financial liabilities	2.25	113,854.91	44,624.64	76,826.59
	(iv) Employee Benefit Obligations	-	247.85	230.83	-
	(b) Other current liabilities	2.26	64,292.51	23,309.85	28,286.15
	(c) Provisions	2.27	22,016.05	25,686.15	25,805.88
	(d) Current tax liabilities (net) -		5,316.80	4,345.82	6,088.61
	Sub-total - Current liabilities		**400,376.87**	**368,323.38**	**268,766.29**
	Total Equity and Liabilities		**833,362.68**	**845,559.52**	**793,768.59**

For Significant Accounting Policies see notes to accounts forming part of Financial Statements.

As per our Report of even date attached
For Kota & Company
Chartered Accountants
K.S.R.K. Prasad
Partner

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

Place:Hyderabad
Date: 03-06-2017

Statement of Consolidated Profit and Loss for the Period ended 31st March, 2017

Rs. In Lakhs

		Note	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
	Revenue:					
I	Revenue from Operations	2.28	157,641.67		259,942.58	
II	Other Income	2.29	2,538.89		10,125.56	
III	**Total Revenue (I +II)**			**160,180.56**		**270,068.14**
IV	**Expenses:**					
	Cost of Materials & Work Expenses	2.30	109,864.16		159,281.63	
	Changes in work in progress	2.31	416.64		(1,532.56)	
	Employee Benefit Expenses	2.32	4,731.90		4,211.27	
	Finance Costs	2.33	75,090.49		74,834.52	
	Depreciation and amortization expense	2.1	26,924.52		22,216.32	
	Other Expenses	2.34	6,174.71		3,443.83	
	Total Expenses			**223,202.42**		**262,455.00**
V	Profit before Exceptional and Extraordinary Items and Tax (III - IV)			(63,021.86)		7,613.14
VI	Exceptional Items			-		-
VII	Profit Before Tax (V - VI)			(63,021.86)		7,613.14
VIII	Tax Expense:					
	(i) Current Tax		1,265.00		4,964.94	
	(ii) Deffered Tax		129.65		156.81	
	(i) Earlier Tax		-	1,394.65	23.58	5,145.33
IX	**Profit/(Loss) after Tax before Minority Interest**			**(64,416.51)**		**2,467.81**
	Less: Share of Minority Interest			(8,060.92)		409.60
	Profit/(Loss) after Tax after Minority Interest			**(72,477.43)**		**2,058.21**
	Share of Profit or Loss from Associated Companies			(0.15)		(3.63)
	Profit/(Loss) after Tax after Associated Companies			**(72,477.58)**		**2,054.58**
	Other comprehensive income			6.67		(271.45)
	(a) Re Classification of Employee Defined Benefit Obligation					
	(b) Exchange differences on translation					
	(c) Increase/ (Decrease) in borrowing cost pursuant to application of Effective Interest rate method					
	(d)Expected credit loss on fair valuation of financial assets					
X	**Total Comprehensive Income**			**(72,470.91)**		**1,783.12**
	Earning per equity share:					
	Basic and Diluted			**(98.21)**		**2.42**

For Significant Accounting Policies see notes to accounts forming part of Financial Statements.

As per our Report of even date attached
For Kota & Company
Chartered Accountants
K.S.R.K. Prasad
Partner

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

Place:Hyderabad
Date: 03-06-2017

Statement of cash flows As At 31st March, 2017

Rs. In Lakhs

	Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
A	**Cash flow from operating activities**		
	Profit/(loss) before income tax	**(63,021.86)**	**7,613.14**
	Adjustments for:		
	Depreciation and amortisation expense	26,924.52	22,216.32
	Dividend and interest income classified as investing cash flows	(626.92)	(564.06)
	Finance costs	75,090.49	74,834.52
	Change in operating assets and liabilities		
	(Increase)/decrease in trade receivables	19,538.56	(16,095.69)
	(Increase) decrease in inventories	5,428.32	502.47
	(Increase) decrease in other bank balances	7,597.33	(6,537.95)
	(Increase)/decrease in other financial assets	(16,685.84)	(3,010.63)
	(Increase)/decrease in other current and non-current assets	(46,486.59)	(60,846.74)
	Increase/(decrease) in Loans	17,039.83	(16,293.73)
	Increase/(decrease) in trade payables	(41,403.74)	29,134.87
	Increase/(decrease) in other financial liabilities	62,899.15	(35,753.64)
	Increase/(decrease) in other current and non-current liabilities	35,156.65	(18,439.64)
	Cash generated from operations	**81,449.91**	**(23,240.76)**
	Income taxes paid	5,512.59	6,853.29
	Net cash inflow from operating activities	**75,937.32**	**(30,094.05)**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment	9,025.41	44,829.66
	Payments for purchase of investments	6.76	1,162.77
	Dividend received	1.74	2.83
	Interest received	625.17	561.23
	Net cash outflow from investing activities	**9,659.09**	**46,556.49**
C	**Cash flows from financing activities**		
	Proceeds from issues of shares	-	-
	Proceeds/(Repayment) of long term borrowings	25,346.16	(38,099.79)
	Proceeds from short term borrowings (net)	(36,114.18)	96,691.72
	Interest paid	(75,090.49)	(74,834.52)
	Net cash outflow from financing activities	**(85,858.52)**	**(16,242.59)**
	Net increase/(decrease) in cash and cash equivalents	**(262.10)**	**219.85**
	Cash and cash equivalents at the beginning of the financial year	376.24	156.38
	Cash and cash equivalents at end of the year	**114.13**	**376.24**
	Reconciliation of cash and cash equivalents as per the cash flow statement		
		31 March, 2017	**31 March, 2016**
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents	114.13	376.24
	Balances per statement of cash flows	**114.13**	**376.24**

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our Report of even date attached
For Kota & Company
Chartered Accountants
K.S.R.K. Prasad
Partner

Place:Hyderabad
Date: 03-06-2017

For and on behalf of the Board

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

K. Venkateswarlu
General Manager
Finance & Accounts

Significant accounting policies:

1.1 Statement of compliance

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) . The Group have prepared financial statements for all periods upto the year ended 31st March 2016 in accordance with the standards notified under the Companies (Accounting Standards) Rules 2006 ("previous GAAP"). The figures for the year ended 31st March 2016 have now been restated as per Ind AS to provide comparison. The Consolidated financial statements for the year ended 31st March 2017 are the first financial statements prepared by the Group in accordance with Ind AS and the date of transition to Ind AS is 1st April 2015. Reconciliations and description of the effect of the transition to Ind AS from previous GAAP is given in **Note:1.34.**

1.2 Basis of preparation

Compliance with IND AS :

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 Ind AS and certain items of property plant and equipment that were revalued in earlier years in accordance with the previous GAAP principles. 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. 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.

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 2017.

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 which 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, 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.

Amounts in the Consolidated 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 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 are stated at cost of acquisition including applicable duties and taxes, 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.

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 Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

1.10 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.

1.11Toll 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".

1.12 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.

1.13 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.

1.14 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 recognized as an impairment gain or loss in statement of profit or loss.

De-recognition of Financial Assets

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

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

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.

1.15 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.

1.16 Inventories:

Raw Materials:

Raw Materials, construction materials and stores & spares are valued at weighted average cost or under. 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.

1.17 Cash and cash equivalent

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.

1.18Segment 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.

1.19 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.

1.20 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.

1.21 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 inclusive of excise duty and 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 basis its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the sale of power is recognised when an entity sells the power. Revenue from sales is based on the price specified in the power purchase agreements, net of the estimated discounts at the time of sale. Accumulated experience is used to estimate and provide for the discounts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

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.

1.22 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 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.

1.23 Insurance claims

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

1.24 Claims

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

1.25 Commitments

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

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.

1.26 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.

1.27 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.

1.28 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 up to 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.

1.29 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.

1.30 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.

1.31 Fair value measurement

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

a. In the principal market for the asset or liability, or

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

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

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

1.32 Earnings per Share:

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

1.34i) Reconciliation of equity as previously reported under previous GAAP to Ind AS:Rs. In Lakhs

Particulars	Note	Previous GAAP	Effects of IND AS Transition	April 01, 2015	Previous GAAP	Effects of IND AS Transition	March 31, 2016
ASSETS							
Non-current assets							
a) Property, Plant and Equipment	2.1(i)	374,764.97	8,574.19	366,190.78	360,154.15	(9,302.85)	369,457.00
b) Capital Work in progress	(ii)	17,689.96	7,343.31	10,346.65	15,079.51	9.97	15,069.54
c) Intangible Assets	(iii)	182,774.14	913.49	181,860.65	144,019.69	(15,437.19)	159,456.88
d) Intangible Assets under development	(iv)	144,619.15	108,278.00	36,341.15	148,637.77	148,637.77	-
e) Lease Receivables	(v)	-	(58,655.53)	58,655.53	-	(57,989.64)	57,989.64
f) Investment properties	(vi)	-	(61.46)	61.46	-	(61.46)	61.46
f) Financial Assets		-		-	-		-
i) Investments	2.2	1,221.55	(18.50)	1,240.05	51.00	51.00	-
ii) Trade Receivables	2.3	-	(8,111.27)	8,111.27	-	(2,735.10)	2,735.10
iii) Loans	2.4	11,732.49	7,380.50	4,351.99	21,843.10	18,359.28	3,483.82
iv) Other Financial Assets	2.5	-	(53,236.07)	53,236.07	-	(4,002.50)	4,002.50
g) Deferred Tax Asset	-	-	(1,873.28)	1,873.28	-	(1,873.28)	1,873.28
h) Other non-current assets	2.6	29,514.95	17,678.80	11,836.15	25,646.52	(63,695.76)	89,342.28
	A	**762,317.21**	**28,212.19**	**734,105.02**	**715,431.74**	**11,960.24**	**703,471.50**

Current assets							
a) Inventories	2.7	12,461.19	(0.00)	12,461.19	11,958.72	(0.00)	11,958.72
b) Financial Assets		-	-	-	-	-	-
i) Investments	2.8	48.06	18.50	29.56	-	(55.65)	55.65
ii) Trade Receivables	2.9	14,664.55	(4,130.28)	18,794.83	33,106.21	(7,160.48)	40,266.69
iii) Cash and cash equivalents	2.10	8,084.03	1,903.01	6,181.02	15,122.65	14,746.41	376.24
iv) Bank balances other than (ii) above	2.11	-	(2,704.19)	2,704.19	-	(15,266.77)	15,266.77
v) Loans	2.12	4,812.69	4,439.14	373.55	4,825.44	(12,709.09)	17,534.53
vi) Other Financial Assets	2.13	-	(9,103.57)	9,103.57	-	(17,833.68)	17,833.68
c) Current tax assets (Net)	-	-	(1,936.50)	1,936.50	-	(1,097.31)	1,097.31
d) Other current assets	2.14	18,147.58	8,195.15	9,952.43	78,815.70	41,117.27	37,698.43
	B	**58,218.10**	**(3,318.74)**	**61,536.84**	**143,828.72**	**1,740.69**	**142,088.02**
TOTAL	**A+B**	**820,535.31**	**24,893.45**	**795,641.86**	**859,260.46**	**13,700.94**	**845,559.52**
EQUITY AND LIABILITIES							
EQUITY							
a) Equity Share capital	2.15	740.32	-	740.32	740.32	-	740.32
b) Other Equity	2.16	(32,236.70)	18,877.90	(51,114.60)	(13,569.86)	16,061.22	(29,631.09)
c) Minority Interest	-	18,393.55	679.40	17,714.15	18,440.95	1,956.29	16,484.66
	C	**(13,102.83)**	**19,557.29**	**(32,660.12)**	**5,611.41**	**18,017.51**	**(12,406.11)**
LIABILITIES							
Non-current liabilities							
a) Financial liabilities						-	
i) Borrowings	2.17	510,334.69	15,831.66	494,503.03	458,647.11	2,243.87	456,403.24
ii) Trade payables	2.18	-	(23,454.82)	23,454.82	-	(10,914.39)	10,914.39
iii) Other financial liabilities	2.19	-	(11,097.03)	11,097.03	-	(7,545.34)	7,545.34
b) Provisions	2.20	12,769.60	(4,269.27)	17,038.87	13,562.67	634.39	12,928.28
c) Deferred Tax Liabilities (Net)	2.21	2,138.34	0.00	2,138.34	-	(156.81)	156.81
d) Other non - current liabilities	2.22	46,422.66	35,119.04	11,303.62	44,256.67	42,562.48	1,694.20
	D	**571,665.29**	**12,129.59**	**559,535.70**	**516,466.45**	**26,824.21**	**489,642.24**
Current liabilities							
a) Financial liabilities							
i) Borrowings	2.23	66,533.81	(20,426.20)	86,960.01	116,976.65	(66,675.08)	183,651.73
ii) Trade payables	2.24	28,468.67	(16,330.39)	44,799.06	75,064.00	(11,410.36)	86,474.36
iii) Other financial liabilities	2.25	-	(76,826.59)	76,826.59	-	(44,624.64)	44,624.64
iv) Employee benefit obligations	-	-	-	-	-	(230.83)	230.83
b) Other current liabilities	2.26	129,861.28	101,575.13	28,286.15	118,352.54	95,042.69	23,309.85
c) Provisions	2.27	37,109.09	11,303.21	25,805.88	26,789.40	1,103.25	25,686.15
d) Current Tax Liabilities (Net)		-	(6,088.61)	6,088.61	-	(4,345.82)	4,345.82
	E	**261,972.85**	**(6,793.44)**	**268,766.29**	**337,182.60**	**(31,140.79)**	**368,323.38**
Total Equity and Liabilities	**C+D+E**	**820,535.31**	**24,893.45**	**795,641.86**	**859,260.45**	**13,700.93**	**845,559.52**

Reconciliation of Statement of Profit and loss for the year ended March 31, 2016

Rs. In Lakhs

Particulars	Note	Previous GAAP	Effects of IND AS Transition	Ind As
REVENUE				
I. Revenue from Operations	2.28	233,545.54	(26,397.04)	259,942.58
II. Other income	2.29	8,872.99	(1,252.57)	10,125.56
III. Total Revenue	**A**	**242,418.52**	**(27,649.62)**	**270,068.14**
IV. EXPENSES				
Cost of Materials & Work Expenses	2.30	113,826.07	(45,455.55)	159,281.63
Changes in work in progress	2.31	(1,532.56)	(0.00)	(1,532.56)
Employee Benefit Expenses	2.32	4,047.63	(163.64)	4,211.27
Finance Costs	2.33	58,547.92	(16,286.60)	74,834.52
Depreciation and amortization expense	2.1	24,148.36	1,932.04	22,216.32
Other Expenses	2.34	31,631.50	28,187.67	3,443.83
Total Expenses	**B**	**230,668.92**	**(31,786.08)**	**262,455.00**
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		11,749.61	4,136.46	7,613.14
VI. Exceptional Items		-	-	-
VII. Profit/(loss) before tax	**A-B**	**11,749.61**	**4,136.46**	**7,613.14**
VIII. Tax Expense:				
Current tax		5,001.13	36.19	4,964.94
Deferred tax		-	(156.81)	156.81
Earlier tax		-	(23.58)	23.58
XI. Profit/(loss) after tax before Minority Interest		**6,748.48**	**4,280.67**	**2,467.81**
Less: Share of Loss Transferred to Minority Interest		349.41	(60.19)	409.60
Profit/(loss) after tax after Minority Interest		**6,399.07**	**4,340.86**	**2,058.21**
Share of Profit/(Loss) from Associate Companies		(0.20)	3.44	(3.63)
Consolidated Profit /(Loss) for the Year		**6,398.87**	**4,344.30**	**2,054.58**
Other Comprehensive Income		**-**	271.45	(271.45)
Total Comprehensive Income for the year		**6,398.87**	**4,615.75**	**1,783.12**
Earnings per equity share (Basic and Diluted)		**8.67**	6.25	**2.42**
Face value per equity share		**10.00**	-	**10.00**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

2.1 Property Plant and Equipment

Rs. In Lakhs

Particulars	Property Plant and Equipment											Intangible Assets			Capital Work In Progress
	Land	Building	Plant & Equipment	Tippers & Trucks	Furniture & Fixtures	Office Equipment	Vehicles	Centring Material	Temporary Structures	Computers	Total	Specilised Software	Carriageway	Total	
1	2	3	4	5	6	7	8	9	10	11	12=(2 to 11)	13	14	15=(13+14)	16
Gross carrying value															
As at 1 April 2015	11,446.56	77,235.57	359,714.99	11,578.45	1,261.84	44.80	2,404.13	1,951.04	3,106.12	481.54	**469,225.03**	30.11	167,347.16	**167,377.27**	**14,311.52**
Additions	93.67	2,051.12	11,564.76	454.44	35.53	24.57	55.08	48.05	31.68	72.52	**14,431.42**	9.78	0.69	**10.46**	**9,837.53**
Disposals	(50.67)	-	(1,154.92)	(746.91)	(0.16)	-	(103.28)	-	-	-	**(2,055.93)**	-	-	**-**	**(9,069.54)**
Adjustments	-	(8,644.63)	(40,354.73)	-	-	-	-	-	-	-	**(48,999.36)**	-	(464.24)	**(464.24)**	**(9.97)**
As at 31 March 2016	**11,489.56**	**70,642.06**	**329,770.10**	**11,285.97**	**1,297.21**	**69.37**	**2,355.93**	**1,999.09**	**3,137.80**	**554.06**	**432,601.15**	**39.89**	**166,883.61**	**166,923.49**	**15,069.54**
Additions	11.13	134.73	420.23	2,114.39	62.35	69.37	109.48	116.79	41.45	42.35	**3,122.27**	0.67	-	**0.67**	**166.92**
Disposals	(111.60)	-	(709.93)	(438.34)	-	-	(19.96)	-	-	-	**(1,279.83)**	-	-	**-**	**(42.55)**
Adjustments	-	(1,858.24)	(8,650.48)	-	-	-	-	-	-	-	**(10,508.72)**	-	(15,262.62)	**(15,262.62)**	**(157.15)**
As at 31 March 2017	**11,389.09**	**68,918.55**	**320,829.92**	**12,962.02**	**1,359.56**	**138.74**	**2,445.44**	**2,115.89**	**3,179.25**	**596.40**	**423,934.86**	**40.55**	**151,620.98**	**151,661.54**	**15,036.77**
Accumulated depreciation															
As at 1 April 2015	-	12.08	32,373.10	9,715.19	701.44	-	1,406.24	1,947.27	2,388.95	300.20	**48,844.48**	-	1,215.70	**1,215.70**	**-**
Depreciation during the year	-	2,611.51	11,595.38	1,267.55	120.06	26.70	209.52	27.70	30.84	76.15	**15,965.41**	12.27	6,238.64	**6,250.91**	**-**
Accumulated depreciation on disposals	-	-	(879.88)	(706.46)	0.08	0.91	(80.53)	-	-	0.14	**(1,665.74)**	-	-	**-**	**-**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**	-	-	**-**	**-**
As at 31 March 2016	**-**	**2,623.59**	**43,088.60**	**10,276.29**	**821.57**	**27.62**	**1,535.22**	**1,974.97**	**2,419.79**	**376.49**	**63,144.15**	**12.27**	**7,454.34**	**7,466.61**	**-**
Depreciation during the year	-	3,226.75	14,551.27	861.52	109.64	27.51	194.20	33.32	42.21	16.08	**19,062.51**	11.70	7,850.32	**7,862.01**	**-**
Accumulated depreciation on disposals	-	-	(687.34)	(407.44)	0.09	0.55	(26.77)	-	-	48.56	**(1,072.35)**	-	-	**-**	**-**
Adjustments	-	-	-	-	-	-	-	-	-	29.44	**29.44**	-	-	**-**	**-**
As at 31 March 2017	**-**	**5,850.34**	**56,952.54**	**10,730.36**	**931.30**	**55.68**	**1,702.65**	**2,008.29**	**2,462.00**	**470.58**	**81,163.75**	**23.97**	**15,304.65**	**15,328.63**	**-**
Net Carrying Value															
As at 1 April 2015	11,446.56	77,223.49	327,341.89	1,863.25	560.39	44.80	997.89	3.77	717.17	181.33	**420,380.55**	30.11	166,131.46	**166,161.57**	**14,311.52**
As at 31 March 2016	11,489.56	68,018.47	286,681.50	1,009.68	475.63	41.76	820.71	24.12	718.00	177.57	**369,457.00**	27.61	159,429.27	**159,456.88**	**15,069.54**
As at 31 March 2017	11,389.09	63,068.21	263,877.38	2,231.66	428.25	83.07	742.79	107.59	717.25	125.83	**342,771.11**	16.58	136,316.33	**136,332.91**	**15,036.77**

2.2 INVESTMENTS

Rs. In Lakhs

Particulars	No. of Shares Held	As at 31 March 2017	No. of Shares Held	As at 31 March 2016	No. of Shares Held	As at 1 April 2015
Equity Investment-Quoted						
Canara Bank (4100 Equity shares of Rs.10/each with premium of Rs25/-)	4,100	1.44	4,100	1.44	4,100	1.44
Sub Total		**1.44**		**1.44**		**1.44**
Equity Investment - Unquoted						
(1) Madhucon Natural Resources Limited Singapore (750 Oridnary Shares of S$ 1 each)	750	0.21	750	0.21	750	0.21
(2) Madhucon Sugar & Power Industries Limited (4811500 Equity shares of Rs.10/- each)	4,811,500	-	-	-	4,811,500	1,172.10
(3) Rajanagaram Gas Power Private Limited (488080 Equity Shares of Rs.10/-each)	488,080	48.81	488,080	48.81	488,080	48.81
(4) M B N Anchored Earth Limited (40000 Equity shares of Rs.10/- each)	-	-	-	-	40,000	6.31
(5) Madhucon Properties Limited (20000 Equity Shares of Rs.10/-each)	20,000	(7.85)	20,000	(4.30)	20,000	(4.10)
(6) Ramnagar Power Private Limited (10000 Equity Shares of Rs.10/-each)	-		-	-	10,000	(3.22)
(7) Madhucon Agra-Jaipur Expressways Limited (100000 Equity Shares of Rs.10/-each)	-	-	100,000	5.02	-	-
Sub Total		**41.14**		**49.74**		**1,220.11**
Total		**42.57**		**51.18**		**1,221.55**

(1) Aggregate of Investments	**As at 31 March 2017**		**As at 31 March 2016**		**As at 1 April 2015**	
	Cost	**Market Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
Quoted Investments	1.44	12.42	1.44	7.79	1.44	14.56
Unquoted Investments	41.13	-	49.75	-	1,220.11	-
Grand Total	**42.57**	**12.42**	**51.18**	**7.79**	**1,221.55**	**14.56**

2.3 TRADE RECEIVABLES

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Un Secured, Considered good			
-from others	2,434.98	2,735.10	8,111.27
Total	**2,434.98**	**2,735.10**	**8,111.27**

2.4 LOANS

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
From Others	3,084.93	2,753.60	4,338.05
Security Deposit	748.74	730.22	13.03
Total	**3,833.67**	**3,483.82**	**4,351.08**

2.5 Other Financial Assets

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Retention Money Deposit	1,201.88	883.24	505.37
From Others	8,580.85	1,694.75	8,821.75
Earnest Money Deposit	841.56	497.05	343.67
Bank Deposits with more than 12 Months Maturity	878.48	876.27	-
Total	**11,502.77**	**3,951.31**	**9,670.79**

2.6 Other Non Current Assets

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital Advances	15,846.43	9,886.76	6,021.12
Advances other than Capital Advances	2,505.32	934.68	1,228.24
Other Advances	29,788.95	6,977.61	4,570.17
Receivable from NHAI	105,168.71	71,536.07	43,566.20
VAT Recoverables	10.00	7.16	16.62
Total	**153,319.41**	**89,342.28**	**55,402.35**

2.7 Inventories

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw Materials	3,585.43	2,685.20	790.32
Stores and Spares	1,567.23	1,308.17	1,127.30
Coal Stock	866.55	6,874.61	10,262.56
Work-in-Progress	511.19	1,090.74	281.01
Total	**6,530.40**	**11,958.72**	**12,461.19**

2.8 Investments

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investments in Gold Bonds	5.20	-	-
Investments in Mutual Funds	52.31	55.65	48.06
Total	**57.51**	**55.65**	**48.06**

2.9 Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
From Others	21,028.25	40,266.69	18,794.83
Total	**21,028.25**	**40,266.69**	**18,794.83**

2.10 Cash and Cash Equivalents

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash on Hand	114.13	376.24	156.38
Total	**114.13**	**376.24**	**156.38**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 pursuant to the requirement of Notification G.S.R. 308(E) dated 30th March 2017

Sl.No. Particulars	SBNs	Other denomination Notes	Total Rs. In Lakhs
Closing cash in hand as on 08.11.2016	154.88	76.24	231.12
(+) Permitted Receipts	951.76	439.77	1391.52
(-) Permitted Payments	941.97	478.77	1420.74
(-) Amount deposited in Banks	105.12	-	105.12
Closing cash in hand as on 30.12.2016	**-**	**-**	**96.78**

2.11 BANK BALANCES OTHER THAN (ii) ABOVE

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(i) Current Accounts	5,134.91	11,819.40	5,772.11
(ii) Balances with Bank for Unpaid Dividend	23.04	9.68	9.69
(iii) FDR with Banks Including Interest Accrued	918.46	897.60	6.86
(iv) Trust Retention and Escrow Accounts	157.81	40.19	235.96
(v) Margin money and other deposits with banks	1,435.22	2,499.90	2,704.20
Total	**7,669.44**	**15,266.77**	**8,728.82**

2.12 Loans

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other Loans	-	17,395.97	361.40
Security Deposits	144.85	138.56	12.15
Total	**144.85**	**17,534.53**	**373.55**

2.13 Other Financial Assets

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Receivable from Others	20,664.91	11,847.26	4,105.64
Receivable from NHAI	4,286.58	4,286.59	4,853.88
Retention Money from NHAI	-	153.35	144.05
Retention Money Deposits	2,016.58	1,546.48	-
Total	**26,968.07**	**17,833.68**	**9,103.57**

2.14 Other current assets

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepaid Expenses	93.27	337.48	177.97
Prepaid Insurance	82.78	0.55	138.90
Other Advances	14,876.32	31,178.67	5,308.70
Statutory Dues Receivable	341.84	338.40	56.20
Advances to Other than Capital Advances	4,186.57	5,843.34	4,270.66
Total	**19,580.78**	**37,698.43**	**9,952.43**

2.15 Share Capital

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a) Authorised Share Capital			
30,00,00,000 Equity Shares of Re.1/- each	3,000.00	3,000.00	3,000.00
20,00,000 Redeemable Preference Shares of Rs.100/- each	2,000.00	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
b) Issued, Subscribed & Called up Capital			
7,42,68,940 Equity Shares of Rs.1/- each	742.69	742.69	742.69
c) Fully Paid up Capital			
7,37,94,940 Equity Shares of Rs.1/- each	737.95	737.95	737.95
Add: Forfeited Shares Amount Originally paid up	2.37	2.37	2.37
Total	**740.32**	**740.32**	**740.32**

2.16 Other Equity

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(i) Securities Premium Account		**29,313.07**		**29,313.07**		**29,313.07**
(ii) General Reserve						
Opening Balance	4,886.36		4,632.96		4,139.56	
(+)Additions during the year	175.17		253.40		493.40	
Closing Balance		**5,061.53**		**4,886.36**		**4,632.96**
(iii) Surplus:						
Opening Balance	(73,688.15)		(75,237.89)		(72,832.84)	
Net Profit for the Current Year	(72,477.58)		2,054.58		(354.22)	
Bad Debts Written Off	(441.01)		-		-	
Fixed Assets Written off As per Companies Act, 2013	-	-			(898.30)	
Proposed Dividends	-		-		(147.59)	
Dividend Distribution Tax	-		-		(28.13)	
Transfer to General Reserve	(175.17)		(253.40)		(493.40)	
Other Comprehensive Income	6.67		(271.45)		-	
Foreign Currency Translation	262.91		20.01		(483.40)	
Closing Balance		**(146,512.33)**		**(73,688.15)**		(75,237.89)
(iv) Reserves on Consolidation and Others		**29,216.46**		**9,863.73**		**(10,505.69)**
Total Other Equity		**(82,921.27)**		**(29,624.99)**		**(51,797.55)**

d) Reconciliation of the Number of Shares Outstanding

Equity Shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	Value	Number	Value	Number	Value
Shares outstanding at the beginning of the year	73,794,940	7,379.494	73,794,940	7,379.494	73,794,940	7,379.494
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the year end	**73,794,940**	**7,379.494**	**73,794,940**	**7,379.494**	**73,794,940**	**7,379.494**

Terms/ Rights attached to Shares:- The Company has only one class of paid-up equity shares having par value of Re.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 shareholders.

e) Shares in the company held by each shareholder holding more than 5 percent shares.

Name of the Equity Share holders	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of Shares held	%of Share holding	Number of Shares held	%of Share holding	Number of Shares held	%of Share holding
1) Nama Nageswara Rao	**10,732,622**	**14.54**	10,732,622	14.54	10,732,622	14.54
2) Madhucon Granites Limited	**8,044,000**	**10.90**	8,044,000	10.90	8,044,000	10.90
3) Nama Chinnamma	**6,158,000**	**8.34**	6,158,000	8.34	6,158,000	8.34
4) Nama Seethaiah	**6,001,800**	**8.13**	6,001,800	8.13	6,001,800	8.13
Total	**30,936,422**	**41.91**	30,936,422	41.91	30,936,422	41.91

f) Bonus Shares/ Buy back shares for Consideration other than cash being received during the past five Years

(1) Aggregate number and class of shares allotted as fully paid up

(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**

2.17 Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term Loans			
From Banks	397,544.60	394,008.10	468,069.95
From Financial Institutions	43,235.85	42,387.01	22,846.42
From Others	27,544.91	10,679.42	524.38
Secured Loans:			-
Debentures	5,346.41	9,328.63	-
Unsecured Loans:			-
From Banks	8,077.62	0.08	2,111.43
From Others	-	-	950.85
Total	**481,749.39**	**456,403.24**	**494,503.03**

Notes for Long Term Borrowings From Banks and Financial Institutions

Madhucon Projects Limited

Term Loans from Banks:

i) ICICI Bank Limited: *Secured by the first Pari-passu charge on the current assets and second Pari-passu charge on movable fixed assets of the company.*

Term Loans from Financial Institutions:

(i) Srei Equipment Finance Limited : *Secured by Subservient charge on movable fixed assets of the company worth Rs. 108 Crores.*

(ii) Mahindra & Mahindra Financial Services Limited : *Secured by hypothecation of tippers financed through the loan arrangements.*

Sl.No	Particulars	No.of Instalments	Rate of Interest	Outstanding	Period of Maturity
1	*SREI Equipment Finance Limited*	*34*	*11%*	*6,113.87*	*Jan-18*
2	*Mahindra & Mahindra Financial Services Limited*	*17*	*11.52%*	*380.68*	*Feb-20*
	TOTAL			***6,494.55***	

Madhucon Infra Limited

i) Term loan of Rs 5000.00 lakhs should be paid in equal twenty six Quarter installment, which had commenced on 10th December 2011. Interest rate of 12.25% fixed for the first year with the interest reset happening at the end of the first year from the date of disbursement i.e. 30th March of every year. The interest rate as at 31 March 2017 is 15.00%. An installment amount of Rs. 313.00 lakhs is over due as on 31st March, 2017. Further, as on 31st March, 2017, there was an over due in payment of interest amounting to Rs.288 lakhs.

Secured by: a) First and exclusive charge on all the operating and maintenance receivables to be executed within 3 months from the date of disbursement.

b) Pledge of shares of the borrower of the face value of Rs.2,500.00 lakhs.

c) Corporate guarantee of Madhucon Projects Limited, the holding Company.

ii)Term loan of Rs. 15000.00 lakhs received from ICICI Bank should be paid in equal six half Yearly installment, which had commenced on 3rd March 2013. An installment of Rs.1500.00 lakhs is over due on 31st March 2017. Further, as on 31st March 2017, there was an over due in payment of interest amounting to Rs.267.58 lakhs. Interest for the F.Y. 2016-17 is not booked in the accounts.

Secured by: a) Subsevient charge on movable fixed assets and current assets

b) Pledge of shares of the borrower of the face value of Rs.2,200.00 lakhs.

c) Corporate guarantee of Madhucon Projects Limited, the holding Company.

(iii) Rs. 22000.00 lakhs Non-convertible debentures of face value of Rs.10/- each with coupon rate of interest of 12.00%p.a. payable quarterly subscribed by IFCI from the due date of first installment applicable rate of interest is IRR @15.5%. Installments of Rs. 8250.00 lakhs has not yet been paid by the Company resulting in over due as on 31st March 2017. Amount of Rs. 2398.64 lakhs was over due towards interest repayments as on 31st March 2017.

a) Mortgage of Vasanth Vihar Property in Delhi.

b) Pledge of shares of Simhapuri Energy Ltd of the face value of Rs. 20254.00 lakhs.

c) Pledge of shares of the borrower of the face value of Rs. 38870.00 lakhs.

d) Pledge of shares of Madhucon Toll Highways Ltd of the face value of Rs.12000.00 lakhs

e) Pledge of shares of Madurai - Tuticorin Expressways Ltd of the face value of Rs.4000.00 lakhs.

f) Pledge of shares of Rachi Expressways Ltd of the face value of Rs.3400.00 lakhs.

g) Personal Guarantee of Sri N. Seethaiah, Director.

IFCI, ICICI Bank and Tata Capital filed cases against the Company. The company has requested for reschedulement of loan with IFCI, ICICI Bank and Tata Capital Ltd and has submitted action plan. IFCI has approved the reschedulement and the documentation is under process.

Simhapuri Energy Limited

Secured - Term Loans

From Banks - Phase - I	06 February 2024	Repayable in 48 quarterly instalments to banks and 43 quarterly installments to LIC	Base rate of Canara Bank + 2.25% p.a.
From Banks - Phase - II	31 December 2026	Repayable in 45 structured quarterly instalments to banks.	Base rate of State Bank of India + 3.50% p.a.
From Banks - Phase - II Additional Loan	31 December 2026	Repayable in 45 structured quarterly instalments to banks.	Base rate of State Bank of India + 3.50% p.a.
From Others - SREI 1	22 October 2017	Repayable in 45 structured quarterly instalments starting from February, 2014	15%
From Others - SREI 2	22 October 2018	Repayable in 43 structured quarterly instalments starting from April, 2015	11%
From Others- SREI 3	03 December 2015	Repayable by bullet payment	12%
From Others - IFCI	30 June 2032	Repayable in 66 equal quarterly installments starting from 31.03.2016.	11.90%
From Others - SREI 4	03 March 2021	Repayable in 45 equal quarterly installments starting from February 2014	11.45%
Unsecured - Term Loans			
From Banks - ICICI Loan	31 March 2027	Repayable in 40 quarterly instalments starting from 4th Quarter of 2016-17	13.25%

Loans Repayable on Demand - Secured Loans

Canara Bank (WC)	Payable on demand	Payable on demand	Canara Bank Base Rate +3.50% p.a.
Central Bank of India (WC)			Canara Bank Base Rate +3.50% p.a.
Axis Bank (WC)			SBI Bank Base Rate +2.50% p.a.
State Bank of India (WC)			SBI Bank Base Rate +2.50% p.a.
ICICI Bank (WC)			SBI Bank Base Rate +2.50% p.a.
Axis Buyers Credit account			SBI Bank Base Rate +2.50% p.a.
BOI Bank (WC)			SBI Bank Base Rate +2.50% p.a.
SBI Buyers Credit Account			SBI Bank Base Rate +2.50% p.a.
Central Bank of India Buyers Credit Account			SBI Bank Base Rate +2.50% p.a.
Canara Bank Buyers Credit Account			SBI Bank Base Rate +2.50% p.a.
BOI Buyers Credit Account			SBI Bank Base Rate +2.50% p.a.

The joint lenders forum led by SBI has invoked the provisions of the scheme; sustainable structuring of stressed assets (S4A) on 2nd January 2017. Reference to the scheme was approved by the majority of lenders. The time frame of 180 days is permitted for completion of the restructuring package. As on the Balance Sheet date, the loans of the Company are still under restructuring excercise and hence the earlier delays of repayment obligations of the loans are not provided.

Madurai Tuticorn Expressways Ltd:

Term Loans From IIFCL, Central Bank Of India, Canara Bank, Vijaya Bank, SBH, IDBI and FITL from IFCL, Central Bank Of India, Canara Bank, Vijaya Bank, SBH, IDBI:

Terms of Repayment - Secured Loan

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

Terms of Security

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

(ii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower

(iii) A first charge/assignment of all receivable/revenues of the Borrower from the project.

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

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

(v) Assignment in favour of Lenders of all Insurance Policies.

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

(vii) Personal guarantee given by Sri Nama Krishnaiah for Rs. 54,05,00,000/- and Sri Nama Seethaiah for Rs. 66,40,000/ -

Terms of Repayment - Unsecured Loan

The unsecured loans are given 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 are interest free and repayment shall be made only after final settlement date i.e. The date on which all the secured obligations have been discharged in full to the satisfaction of the lenders.

Trichy-Thanjavur Expressways Limited

Term Loans From: Central Bank India, IIFCL, OBC, SBH, IDBI , Canara Bank and FITL from IIFCL,OBC, SBH, IDBI,Central Bank of India, Canara Bank:

Terms of Repayment of Secured Loans:

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution with interest rate of 12.25% as on 31st March 2016. During the year 2012-13 the company went for Restructuring of Term Loan for Rs. 232,29,00,000/- with cutoff date 01.12.2012 by changing the repayment schedule on quarterly basis commencing from June 2013 payable on the last day of the Quarter. The interest rates are fixed for all lendors with interest reset happening on each reset date. The loan is repayable in 51 quarterly unequal Installments along with the interest ranging from Rs. 21,64,000/- to Rs. 39,50,91,000/- from June 2013 till December 2025.

The interest obligation for 4 months from cutoff date i.e., from 01.12.2012 to 31.03.2013 for Rs. 9,44,00,000/- . is funded through Funded Interest Term Loan (FITL) with interest rate of 10.75% (Base rate + 0.25%) fixed with reset on 01.04.2015. The FITL is repayable in 16 structured quarterly installments ranging from Rs.2 3,75,000/- to Rs. 1,06,00,000/- commencing from June 2014 till March, 2018

Terms of Security

i) First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement)

ii) First charge on all intangible assets of the borrower including but not limited to the goodwill, undertaking and uncalled capital of the borrower

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

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

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

vi) Assignment in favour of Lenders of all insurance policies

vii) Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower

viii) Personal guarantee given by Sri Nama Krishanaiah for Rs. 54,05,00,000/- and Sri Nama Seethaiah for Rs.66,40,00,000/-

Terms of Repayment of Unsecured Loans:

i) The above unsecured loans are given by the Promoters of the Company as per the Concession Agreement with NHAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged in full to the satisfaction of the Lenders. The unsecured loans are given by the Promoters of the Company as per the Concession Agreement with NHAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged in full to the satisfaction of the Lenders.

TN(DK) Expressways Limited

Term Loans from SBH, SBI, Vijaya Bank, State Bank of Saurastra, Bank of Maharastra, Andhra Bank, State Bank Mysore and FITL SBH, SBI, Vijaya Bank, State Bank of Saurastra, Bank of Maharastra, Andhra Bank, State Bank Mysore:

Terms of Repayment of Secured Loans: I*ndian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution with interest rate of 12.25% as on 31st March 2016. During the year 2012-13 the company went for Restructuring of Term Loan for Rs.23,229.00 lakhs with cutoff date 01.12.2012 by changing the repayment schedule on quarterly basis commencing from June 2013 payable on the last day of the Quarter. The interest rates are fixed for all lendors with interest reset happening on each reset date. The loan is repayable in 51 quarterly unequal Installments along with the interest ranging from Rs.21.64 lakhs to Rs.3950.91 lakhs from June 2013 till December 2025.The interest obligation for 4 months from cutoff date i.e., from 01.12.2012 to 31.03.2013 for Rs.944.00 lakhs is funded through Funded Interest Term Loan (FITL) with interest rate of 10.75% (Base rate + 0.25%) fixed with reset on 01.04.2015. The FITL is repayable in 16 structured quarterly installments ranging from Rs.23.75 lakhs to Rs.106.00 lakhs commencing from June 2014 till March, 2018.*

Terms of Security:

i) First mortgage and charge over all the Borrower's properties and assets, both present and future, excluding the project assets (as defined in the Concession Agreement).

ii) First charge on all intangible assets of the borrower including but not limited to the goodwill, rights, undertaking and uncalled capital of the borrower.

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

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

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

vi) Assignment in favour of Lenders of all insurance policies.

vii) Assignment of contract or guarantee, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favour of the borrower.

viii) Apart from the above security stipulations, which were proposed at the time of original sanction, the following promoter and company guarantees have been stipulated in view of the proposed restructuring package:

i) Personal guarantee of directors of the company Mr.Nama Seethaiah, Mr. M Madhu and Mr. K Srinivasa Rao.

ii) Corporate Guarantee of Madhucon Infra Ltd and Madhucon Toll Highways Limited to cover the entire debt outstanding.

Chappra-Hajipur Expressways Ltd

Terms of Repayment of secured term loans:

Indian Rupee Term Loan consists of Loans borrowed from a consortium of six banks with interest rate of 10.40% as on 31st March, 2017. During the year the rate of interest has been charged ranging from 10.45% to 13.20%. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 19 semiannual unequal installments along with the interest starting from December, 2016.

The first repayment of loan Installment, as per Supplemental common loan agreement, falls due on December 31, 2016. Non-availability of materials and delay in handing over of right of way by NHAI resulted in delay in implementation of the project. As a consequence, scheduled commercial operation date, which was, as per common loan agreement, originally fixed at May 31, 2013, was extended to 31 May, 2016 by lenders.

As per Tripartitle Agreement executed by NHAI,SBI & concessionaire on 21/10/2016,the expected PCOD was April 2017.However,due to various reasons the PCOD was not achieved by dec 2017 and the lender is in process of extending the DCCO. Accordingly the first installment was paid in June ,2018.

Terms of Security of secured term loans

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

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

(iii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

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

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

(vi) Pledge of 74% of shares of the paid up equity capital of the company held by the Promoters. Currently 4,74,96,012 (74%) equity shares held by Madhucon Infra Limited and Madhucon Toll Highways Limited are pledged with the lenders.

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

(viii) Corporate guarantee of Madhucon Toll Highways Limited.

Terms of Repayment of unsecured loan:

The above unsecured loans are given by the Promoters of the Company as per the Concession Agreement with NHAI, by way of Subordinate Loan. Such subordinate loans are interest free and the repayment shall be made only after the Final Settlement date, the date on which all the Secured Obligations have been discharged in full to the satisfaction of the Lenders.

Ranchi Expressways Limited

As per the amendment dated 28-oct-2016 Terms of Long Term Borrowings from Banks and Financial Institution were restructured during the year.

Revised Terms of Repayment of Long Term Borrowings are as under

Secured Loans:

Indian Rupees Term Loans consist of Loans borrowed from a consortium of 14 banks and one financial institution with interest rate of 11.15% [Canara Bank (CB) Base rate + 1.50%] as on 31st March, 2017. Rate of interest shall be floating rate equivalent to base rate of CB plus interest spread of 1.5% up to the first Interest Reset date. From the first and subsequent Interest Reset date, rate of interest shall be subject to reset on every Interest Reset Date to Base Rate of CB plus such interest spread as may be determined by the bankers on an Interest reset date and unless the Interest spread is so reset on the interest Reset Date, the interest spread shall be the same as applicable prior to that Interest Reset Date. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 22 semi annual unequal installments along with the interest starting from March, 2018 and the last installment payable in September 2029. The company has submitted a proposal for postponement of COD to 1 April, 2018 and postponement of repayment of installments with bankers, the 1st Installment payable in March, 2019 and the last installment payable in September, 2030. The installment amounts are ranging from 2.65% to 6.20% of the loan amount.

Terms of Security

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

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

(iii) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

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

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

(vi) Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently 51% equity shares held by Madhucon Toll Highways Limited are pledged with the lenders.

During the year the company has defaulted in repayment of Interest amounting to Rs. 21,26,60,840 ranging from one day to sixty days.

Barasat Krishnagar Expressways Limited

**** Secured Borrowings***

Terms of Repayment of Secured Loans: Indian Rupees Term Loans consists of Loans borrowed from a consortium of seven banks and one financial institution with interest rate of 11.75% (Oriental Bank of Commerce Base rate + 1.50%) as on 31st March, 2015. During the year the rate of interest has been charged between 11.75% to 11.90%. Rate of interest shall be floating rate equivalent to base rate of OBC plus interest spread of 1.5% (the interest for SBBJ is SBBJ Base rate + 2% and for SBH it is SBI Base rate + 2.25%) upto the first Interest Reset date. From the first and subsequent Interest Reset date, rate of interest shall be subject to reset on every Interest Reset Date to Base Rate of OBC plus such interest spread as may be determined by the bankers on an Interest reset date and unless the Interest spread is so reset on the interest Reset Date, the interest spread shall be the same as applicable prior to that Interest Reset Date. The Applicable Interest Rate shall be subject to RBI policy with regard to Base Rate, as applicable from time to time. The loan is repayable in 23 semi-annual unequal installments along with the interest starting from March, 2015. However, the company has submitted a proposal for postponement of COD to June 1, 2016 with NHAI and postponement of repayment schedule with Ist installment payable in December, 2016 and the last installment payable in June, 2027 with lead bank and other consortium banks. The proposal is under consideration with lead bank and other consortium banks.

Terms of Security

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

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

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

(iv) A first charge on all intangible assets of the Company, including but not limited to goodwill, undertaking and uncalled capital of the Borrower.

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

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

(vii) Pledge of 51% of shares of the paid up equity capital of the company held by the Promoters. Currently, 2,21,34,000 equity shares held by Madhucon Toll Highways Limited are pledged with the lenders.

Interest is not booked on accrual method, because the accounts became NPA with SBBJ, SBOP, SBH, DENA, IIFCL and also the project has been terminated.

Madhucon Heights Pvt Ltd: The loan Secured by the Exclusive charge on all the rights (including development rights), interest and titile of the free sale area of the project including the structures of free sale area constructed/proposed to be constructed thereon, First charge on all the receivables inconnection with the commercial building at Kukatpally, Hyderabad and charge on the Designated Account opened with Axis bank in connection with the aforesaid project. The loan was sanctioned Rs.11,000.00 lakhs on 16.02.2015 with rate of Interest of 11.35% p.a. payable at monthly intervals. The loan shall be repayable in 50 quaterly installments commencing from 31st October, 2017 the first date of disbursement. The Corporate guarantee given by Madhucon Projects Ltd and Madhucon Land Developers Ltd and Collateral securities to the extent of value of Rs. 8416.00 lakhs given by Madhucon Land Developers Ltd. Pledge of shares of MHPL to the extent of 30% subject to compliance with B.R. Act. Personal guarantee given by Shri Nama Krishnaiah.

2.18 Trade payables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Suppliers & Services	2,067.88	6,805.39	11,042.24
With-held	1,380.49	468.21	4,687.56
Retention Money - Deposit	5,420.67	3,594.00	7,723.75
Payable to Others	4.77	46.79	1.27
Total	**8,873.81**	**10,914.39**	**23,454.82**

2.19 Other financial liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable to Others	1,214.22	7,545.34	11,097.03
Total	**1,214.22**	**7,545.34**	**11,097.03**

2.20 Provisions

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other Provisions	6,985.49	12,777.46	16,845.55
Provision for Earn Leave	35.44	24.25	29.80
Provision for Gratuity	178.23	126.57	163.52
Total	**7,199.16**	**12,928.28**	**17,038.87**

2.21 Deferred Tax Liabilities (Net)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Opening Balance	-	-	-
Add: Current Year Transactions	134.68	156.81	265.06
Total	**134.68**	**156.81**	**265.06**

2.22 Other non-current liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Mobilisation Advance	4,787.54	1,326.41	7,306.31
Material Advance	69.35	367.79	69.36
Payable to Others	-	-	3,927.95
Total	**4,856.89**	**1,694.20**	**11,303.62**

2.23 Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans Repayable on Demand (Secured)			
From Banks	127,349.72	113,363.41	74,898.97
From Financial Institutions	12,188.87	10,881.38	12,061.04
Unsecured Borrowings			
Loans from Other Parties	7,998.96	59,406.94	-
Total	**147,537.55**	**183,651.73**	**86,960.01**

1) Madhucon Projects Limited

Delay in repayment of principal and interest to banks and Financial Institutions as on 31-03-2017

Name of the Bank / Financial Institution	*Principal (Rs.in Lakhs)*	*Period of delay*	*Interest (Rs. in Lakhs)*	*Period of delay*
(i) Bank of India- CC A/c	1767.95	121-263 days	*164.71*	*180-247 days*
(ii) State Bank of India- CC A/c	-	-	*179.20*	*31-59 days*
(iii) Kotak Mahindra Bank - CC A/c	-	-	*123.17*	*31-59 days*
(iv) IDBI - CC A/c	-	-	*77.70*	*0-30 days*
(v) OBC - CC A/c	-	-	*53.45*	*0-5 days*
(vi) ICICI - CC A/c - 1	-	-	*144.17*	*180-243 days*
(vii) ICICI - CC A/c -2	-	-	*317.61*	*180-243 days*

Sub Total (i)	**1,767.95**		**1,060.01**	
(i) Srei Equipment Finance Limited	1,246.11	*28-179 days*	*204.94*	*28-179 days*
Sub Total (ii)	**1,246.10**		**204.94**	
Total (i+ii)	**3,014.06**		**1,264.95**	

2.24 Trade payables

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
For Suppliers & Services	33,084.11	71,152.20	33,256.56
Due to Other Payables	2,319.13	2,843.66	6,414.74
With Held	3,518.27	4,258.04	48.65
Retention Money Deposit	8,189.68	8,220.46	5,079.11
Total	**47,111.19**	**86,474.36**	**44,799.06**

2.25 Other financial liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current Maturity of Long Term Debt	28,848.22	26,146.96	30,566.19
Current Maturity of Financial Obligations	3,093.80	3,657.33	3,150.15
Current Maturities of Debentures			24,752.23
Interest Accrued	2,059.33	5,363.56	5,670.65
Interest Accrued but not Due	20,319.94	2,291.08	2,777.78
Trade Payables	14,683.10	4,501.39	9,237.91
Other Financial Liabilities	44,827.68	2,654.64	661.06
Unpaid Dividends	22.83	9.68	10.62
Total	**113,854.91**	**44,624.64**	**76,826.59**

2.26 Other current liabilities

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory Dues Payable	6,611.31	5,138.57	4,397.17
Current Maturity of Long Term Debt	4,436.89	3,086.60	1,097.84
Other Payable	34,065.08	3,908.82	2,746.11
Interest Accured	2,130.69	2,701.56	-
Material Advances	2,903.49	2,221.33	59.75
Machinery Advances	412.49	3,611.48	-
Mobilisation Advances	1,023.30	2,641.49	6,875.18
Revenue Received in Advance	12,709.26	-	13,110.10
Total	**64,292.51**	**23,309.85**	**28,286.15**

2.27 Provisions

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision Expenses	457.33	12,045.83	23,017.31
Provision for MMR	12,057.44	9,861.79	-
Provision for Others	8,177.80	3,027.17	83.25
Provision for Taxation	1,265.00	687.51	2,575.86
Provision for Earn Leave	43.82	42.98	34.05
Provision for Gratuity	14.66	20.87	95.41
Total	**22,016.05**	**25,686.15**	**25,805.88**

NOTES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

2.28 REVENUE FROM OPERATIONS:

Rs. In Lakhs

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Income Civil Engineering Projects	38674.53	27,857.64
Revenue from Sale of Power	60305.68	188,325.92
Toll Free Collection	17019.05	16,475.94
Construction Revenue	27471.36	17,019.48
Finance Income	6161.28	4,255.15
Total (i)	**149,631.90**	**253,934.13**
Income From Other Operations		
Sale of Metal, Scrap and Others	1943.21	2093.61
Other Operating Income	6066.56	3914.84
Total (ii)	**8009.77**	**6008.45**
Total (i+ii)	**157641.67**	**259942.58**

2.29 Other Income

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest Income	625.17	561.23
Other Non Operating Income	1911.98	9561.50
Dividend Income	1.74	2.83
Total	**2,538.89**	**10,125.56**

2.30 Cost of Materials & Work Expenses:

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Cost of Materials:		
Coal & Gas	33443.91	91240.84
Other Materials	4079.65	3646.93
General Stores & Spares	7857.59	5447.84
Total (i)	**45,381.15**	**100,335.61**
Work Expenses:		
Road Work Expenses	36462.28	24453.56
Earth Work Expenses	8113.16	6461.64
Civil Work Expenses	3985.92	2440.17
Other Work Expenses	15921.65	25590.65
Total (ii)	**64,483.01**	**58,946.02**
Total (i+ii)	**109,864.16**	**159,281.63**

2.31 Changes in work in progress & Stocks

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Opening Stock	1,422.74	424.71
Opening Work In Progress	1,090.73	281.01
Closing Stock	(1,585.65)	(1,147.55)
Closing Work In Progress	(511.18)	(1,090.73)
Total	**416.64**	**(1,532.56)**

2.32 Employee Benefit Expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Salaries, Wages, Bonus, PF etc.,	4193.53	3968.20
Work-men Staff Welfare	538.37	243.07
Total	**4731.90**	**4211.27**

2.33 Finance Costs

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Interest Expenses	73499.06	73663.20
B.G. Commission	1591.43	1171.32
Total	**75,090.49**	**74,834.52**

2.34 Other Expenses

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
Administrative Expenses	4308.22	1877.86
Rent, Rates & Taxes	534.70	816.31
Legal & Consultancy Charges	317.20	217.44
Insurance Charges	1014.59	532.22
Total	**6,174.71**	**3,443.83**

OTHER NOTES ON ACCOUNTS

2.3 5Subsidiaries and Associates companies considered in the financial statements are:

S.No	Name of the Entity	Country of Incorporation	Proportion of Ownership Interest MPL	Proportion of Ownership Interest MIL	Proportion of Ownership Interest MTHL
1	Madhucon Infra Limited	India	94.894%	-	-
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	0.008%	99.978%	-
7	Ranchi Expressways Limited	India	0.017%	0.02%	99.938%
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%	51.05%	48.75%
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	4.8%	4.00%	83.20%
15	PT Madhucon Indonesia	Indonesia	4.86%	85.00%	-
16	Madhucon Properties Limited	India	33.33%	-	-

2.36 (a)Contingent Liabilities not provided for: **('in Lakhs)**

Particulars	As at31.03.2017	As at31.03.2016
Bank Guarantees/Letters of Credit issued by the banks on behalf of the Company.	78,262.10	69,243.7
Disputed Sales Tax (on appeal)	7,225.12	5,795.52
Income-tax demand contested in appeal.	9,531.77	8,760.42

(b) The company has Power purchase agreement (PPA) with PTC India Ltd on 12.10.2013 valid for 24 years from April 01, 2013. As per the agreement SEL has to supply 200MW (Gross) power for Phase - I units & Power tolling agreement dated for 150 MW for 2nd Unit of Phase - II. The balance of 100MW from Phase - I & 150MW from Phase II will be with the company to be marked under merchandise basis.

2.37 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 facilitates to the respective investee companies.

S.No	Investee Company	No of Shares pledged As at 31.03.2017	No of Shares pledged As at 31.03.2016
1	Madurai Tuticorin Expressways Limited	13,98,20,500	13,98,20,500
2	Nama Hotels Private Limited	1,38,41,000	1,38,41,000
3	Madhucon Infra Limited	56,44,77,705	56,44,77,705
4	Simhapuri Energy Limited	69,53,32,071	69,09,39,137
5	Madhucon Toll Highways Limited	12,00,00,000	12,00,00,000
6.	Madhucon Heights Private Limited	9,000	-
7	TN (DK) Expressways Limited	6,04,87,600	6,04,87,600
8	Trichy-Thanjavur Expressways Limited	4,59,30,000	3,30,00,000
9	Chhapra-Hajipur Expressways Limited	3,48,07,500	3,48,07,500
10	Barasat-Krishnanagar Expressways Limited	2,21,34,000	2,21,34,000
11	Ranchi Expressways Limited	7,52,08,000	7,52,08,000

2.38 Deferred Tax Liabilities:

As per Accounting Standard 22 "Accounting for Taxes on Income" issued by theInstitute of Chartered Accountants of India, Deferred Tax Liabilities arising is as follows:

(`In Lakhs)

Particulars	31.03.2017	31.03.2016
Deferred Tax Liabilities on timing differences due to :		
Depreciation	134.68	156.81
Total	**134.68**	**156.81**

2.39Disclosure in accordance with IND AS 11 Construction contracts

Particulars	Amount	
	2016-17	2015-16
Contract revenue recognised	6,749,617,177	6,973,691,100
Aggregate contract costs upto reporting period for ongoing projects	35,020,891,316	29,031,451,520
Amount of advances received	3,935,585,203	4,753,700,397
Retention money for ongoing projects	236,395,750	183,764,038
Trade receivables	436,665,764	822,677,817

2.40 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 Enterprise Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2015 has been made in the Financial Statements based on the information received and such amount outstanding as on 31st March, 2016 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

2.41 In accordance with Accounting Standard 11 (revised) the net exchange gain / (Loss) credited to profit & loss account is Rs.471.14 lakhs (previous year net exchange Loss debited Rs. 567.29 lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Nil (previous year Rs. Nil).

2.42 Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 (wherever applicable).

('in Lakhs)

Particulars	2016-17	2015-16
Foreign Exchange Earnings & Out go :		
I) Foreign Exchange Earning : Sale of Investments	-	-
II) Foreign Exchange Out Go :		
a) Towards Traveling	21.60	10.17
b) Towards Import of Capital Goods (CIF)	-	-
c) Towards payment/Advance to Materials	57.78	29.75
d) Raw Materials	26,509.12	47,503.06
III) On Account of Others :		
a) For Creditors	-	97.38
b) Investment	-	Nil
c) Interest	-	17.17
d) Loan Repayment	-	8.84
IV) Others	-	-

2.43Related Party Transactions:

Following are the list of related parties and relationships

A. Group Companies

1. Nama Investments Limited
2. Madhucon Granites Limited
3. Madhucon Info Tech Limited
4. Madhucon Land Developers Limited
5. Madhucon Estates Limited
6. Nama Properties Limited
7. NNR Infra Investments Private Limited
8. Rajanagaram Gas Power Private Limited
9. Madhucon Stone Crushers Private Limited
10. Bima Quarrying Private Limited
11. Madhucon Mineral Resources Limited
12. Nama Energy Private Limited

B. Key Management Personnel:

13. Sri Nama Seethaiah — Managing Director
14. Sri K. Srinivasa Rao — Whole-time Director
15. Sri Md. Shafi — Director

(C) Related Party Transactions during the year ended 31st March, 2017are as follows:

(Rs. In Lakhs)

Particulars of Transactions	Associates		Jointly Controlled/entities and ventures		Key Management Personnel and Relatives		Enterprises Owned Or Significantly influenced By Key Management Personnel Or Their Relatives	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Services	-	-	-	-	-	-	-	-
Sales/Contract Receipts	-	-	3,519.90	1,879.68	-	-	-	-
Purchases/Contract Payments	-	-	-	-	-	-	-	-
Share Capital/Share Application Money	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	120.47	120.47	-	-
Remuneration	-	-	-	-	170.00	170.00	-	-
Investments	-	-	-	-		-	-	-
Sale of Investments to Subsidiaries	-	-	-	-		-	-	-
Corporate Guarantees	-	-	-	-		-	-	-
Bank Guarantees	-	-	-	-		-	-	-
Loans/Advances Given	0.44	-	-	-	115.00	-	341.72	43.59
Loans/Advances Received	-	0.71	-	-	222.00	365.57	-	1,071.20
Year end balances in Current Assets	-	641.42	1,682.20	1,552.01	-	-	4,863.25	4,410.35
Year end balances in Current Liabilities	401.83	402.27	-	-	2,184.43	2,060.29	8109.23	7,394.52

D. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2016-17

Rs. In Lakhs

Particulars of Transactions	31.03.2017	31.03.2016
Sales/Contract Receipts		
Madhucon Sino Hydro JV	3,519.90	1,879.68
Rent Paid:		
Sri Nama Seethaiah	58.37	58.37
Sri Nama Nageswara Rao	62.10	62.10

Remuneration:		
Sri Nama Seethaiah	60.00	60.00
Sri K. Srinivasa Rao	30.00	30.00
Sri N. Krishnaiah	60.00	60.00
Sri Md Shafi	20.00	20.00

2.44 Earning Per Share:

Sl. No.	Particulars	2016-17	2015-16
1	Profit computation for basic earnings Net Profit as per Profit & Loss Accounts available for equity share holder (Rs in Lakhs)	72,470.91	1,783.12
2	Weighted average number of equity shares of Re. 1/- each for Basic EPS (Nos)	7,37,94,940	7,37,94,940
3	EPS (weighted average) (Rs.)	(98.21)	2.42

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

(ii) The outstanding loans and advances which were granted to Nama Investments Limited and NNR Infra Investments Private Limited in which the company's directors have interest are realizable at the carrying values in the books of accounts though both these companies have been incurring losses and accumulated losses exceeded the net worth of these companies for the reasons stated.

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

(iii) "Barasat-Krishnagar Expressways Limited (BKEL), a subsidiary company entered into an agreement with NHAI, for developing road project in West Bengal State. The Construction work is delayed due to pending approvals and rights of way to be provided by NHAI. BKEL had issued notice for termination of the projects to NHAI on 31st December, 2015. BKEL and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI Had also issued notice for termination of the project vide its letter dated 3rd May, 2016 and BKEL had replied that the notice is not valid. Both BKEL and NHAI appointed arbitrators. The arbitration proceedings are in progress". As the borrowings from secured lenders have been declared as Non-performing asset by the lender, interest on related borrowings have not been accounted for.

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

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

(vi) "Vijayawada-Machilipatnam Expressways Limited (VMEL), which is a subsidiary to the Company, was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for undertaking the work of Four Laning of Vijayawada-Machilipatnam Section of NH-9 from Km.0.000 to Km.63.800 in the State of Andhra Pradesh on Design, Build, Finance, Operate, Maintain and Transfer -DBFOT (Toll) Basis, under NHDP Phase III . This

project was awarded by National Highway Authority of India (NHAI). The Company was to hand over the Project Highway to NHAI on the expiry of the Concession Period of 20 years.

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

2.46 Segment Reporting:

The details of primary segment information for the year ended March 31,2017 and March 31,2017 are given below:

(i) The segment report of **Madhucon Projects Limited** and Its subsidiaries (the Group) has been prepared in accordance with Accounting Standard 17 "Segment Reporting" as notified under the Companies Act 2013.

(ii) The Group is currently focused on three business segments: Construction, Power and Toll Collection.

(iii) Since, we are having operations only in India. Secondary segment reporting is not applicable to us.

Rs. In Lakhs

Particulars	Construction		Energy		Toll Highways		Others		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue										
Total Turnover	69,307.24	71,777.56	60,549.29	188,339.23	17,027.71	16,483.14	49,354.03	32,240.54	196,238.28	308,840.46
Less:Inter Segment Turnover	28,822.64	46,862.47	-	-	-	-	9,773.97	2,035.41	38,596.61	48,897.88
External Turnover	**40,484.60**	**24,915.09**	**60,549.29**	**188,339.23**	**17,027.71**	**16,483.14**	**39,580.06**	**30,205.13**	**157,641.67**	**259,942.58**
Segment Result before Interest and Taxes	**365.00**	**9,584.40**	**(5,710.18)**	**57,480.69**	**3,798.34**	**1,688.99**	**11,076.58**	**3,568.02**	**9,529.74**	**72,322.10**
Less:Interest Expense	9,825.63	10548.51	35,779.70	37,158.88	14,071.01	13,470.11	15,414.15	13,657.03	75,090.49	74,834.52
Add:Interest Income etc	1,727.99	2,087.80	511.73	445.53	299.17	302.90	-	7,289.33	2,538.89	10,125.56
Add:Exceptional Item	-	-	-	-	-	-	-	-	-	-
Profit Loss Before Tax	**(7,732.64)**	**1,123.69**	**(40,978.15)**	**20,767.35**	**(9,973.50)**	**(11,478.22)**	**(4,337.57)**	**(2,799.68)**	**(63,021.86)**	**7,613.14**
Current Tax	1,265.00	687.51	-	4,277.43	-	-	-	23.58	1,265.00	4,988.52
Deferred Tax	129.65	151.78	-	5.03	-	-	-	-	129.65	156.81
Profit After Tax Before Adjustment of Minority Interest	**(9,127.29)**	**284.40**	**(40,978.15)**	**16,484.89**	**(9,973.50)**	**(11,478.22)**	**(4,337.57)**	**(2,823.26)**	**(64,416.51)**	**2,467.81**
Less:Share of (Profit\Loss Transferred to Minority Interest									(8,060.92)	409.60
Add:Share of (Profit\Loss From Associated Companies									(0.15)	(3.63)

Profit After Tax (After Adjustment of Minority Interest)	(9,127.29)	284.40	(40,978.15)	16,484.89	(9,973.50)	(11,478.22)	(4,337.57)	(2,823.26)	(72,477.58)	2,054.58
Add/Loss Other Comprehensive Income	186.30	(293.10)	16.00	11.33	2.10	0.57	(197.73)	9.75	6.67	(271.45)
Total Comprehensive Income	(8,940.99)	(8.70)	(40,962.15)	16,496.22	(9,971.40)	(11,477.65)	(4,535.30)	(2,813.51)	(72,470.91)	1,783.13
Other Information										
Segment Assets									833,362.68	845,559.52
Segment Liabilities									904,405.03	857,965.62
Capital Expenditure									49,808.91	51,715.37
Depreciation/ Amortisation									96,492.38	70,610.76
Other Non Cash Expenses Other Than Depreciation and Amortisation									-	-

2.47 In respect of a Subsidiary Madhucon Natural Resources Limited Singapore, the audit of the subsidiary is not completed, there are no transactions from this inspection and the effect on consolidated financial statements is negligible and hence it is not for consolidation.

2.48 Figures of previous year have been regrouped/rearranged/reclassifiedwherever necessary to Conform to the current year presentation.

As per our Report of even date attached

For Kota & Company
Chartered Accountants

For and on behalf of the Board

K.S.R.K. Prasad
Partner

N. Seethaiah
Managing Director
DIN-00784491

K. Srinivasa Rao
Whole-time Director
DIN-0022855

Place : Hyderabad
Date: 03.06.2017

K. Venkateswarlu
General Manager
Finance & Accounts

MADHUCON PROJECTS LIMITED
CIN: L74210TG1990PLC011114
Reg off: Madhu Complex, 1-7-70, Jublipura, Khammam-507002
Tel 040-235569001: Fax: 040-23556005: website: www.madhucon.com

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company being held on 23rd September, 2017 at 3.00 PM at its Registered Office.

Member Folio/DP ID-Client ID No.	Memebr's/Proxy's name in Block Letters	Signature of Member/Proxy
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Regd. folio/*Client ID:
*Applicable for members holding shares in electronic form.
Note to be signed and handed over at the entrance of the meeting venue.

MADHUCON PROJECTS LIMITED
CIN: L74210TG1990PLC011114
Reg off: Madhu Complex, 1-7-70, Jublipura, Khammam-507002
Tel 040-235569001: Fax: 040-23556005: website: www.madhucon.com

FORM NO. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: **MADHUCON PROJECTS LIMITED**
Registered office	: Madhu Complex, 1-7-70, Jublipura, Khammam-507002

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio No/Client ID	:
DP ID :	

I /We, being the member(s) of _____ Shares of the above named Company, hereby appoint:-
1._____ of _____ having e- mail Id_____ of failing him
2._____ of _____ having e- mail Id_____ of failing him
3._____ of _____ having e- mail Id_____ of failing him

and whose signatures (s) are appended below as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 27th Annual general meeting of the Company, to be held on **23rd September, 2017 at 3.00 p.m.** at Registered Office and at any adjourned thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote**	
		For	Against
Ordinary Business			
1	To Receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated) in IND AS format and Report of the Board of Directors and Auditors thereon for the financial year ended 31.03.2017		
2	To Declare dividend on equity shares for the financial year 2016-17		
3	To appoint Auditors and to fix their Remuneration		
4	Ratification for the Re-appointment of Sri K. Srinivasa Rao as Whole Time Director of the Company		
5	Approval for the remuneration of the Cost Auditor for the financial year ended on 31.03.2018		

Signed this _____day of _____2017.
Signature of Shareholder_____ Signature of Proxy holder (S) _____

Notes:

1. The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time fixed for holding the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the Signature of any one holder will be sufficient, but names of all the joint holders should be stated.

ELECTRONIC VOTING PARTICULARS

EVSN (ELECTRONIC VOTING SEQUENCE NUMBER)	USER ID	PASSWORD/PIN
EVENT_NO	USER ID	PWD

Instructions for E-Voting:

a. Initial password is provided, in the attendance slip of the AGM. Please note that the password is in an initial password.

b. Use the following URL for e-voting: From Karvy website: http://evoting.karvy.com

c. Shareholders of the Company holding Shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.

d. Enter the Login credentials. Your Folio No/DP ID will be your user ID.

e. After entering the details appropriately, click on LOGIN.

f. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of Minimum Eight Characters with at least on uppercase (A-Z), one Lower case(a-z), one numeric value(0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc., on first login, You may also enter the Secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

g. You need to login again with the new credentials.

h. On successful login, the system will prompt you to select the EVENT i.e, Madhucon projects Limited.

i. On the Voting page, enter the number of shares as on the Cut-off date FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

j. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.

k. 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, shareholders can login any number of times till they have voted on the resolution.

l. Once the vote on the Resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

m. Institutional shareholders (i.e other than individuals, HUF, NRI etc.) are required to send scanned copy(PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signatures of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e- mail to _____ with a copy marked to evoting@karvy.com

n. 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 http://evoting@karvy.com or contact Karvy Computershare Pvt. Ltd at Tel 1800 345 4001 (toll free).



www.madhucon.com

MADHUCON

MADHUCON
PROJECTS LIMITED

AN ISO-9001 : 2008 COMPANY

If undelivered please return to:
"Madhucon House", Road No. 36, Jubilee Hills, Hyderabad- 500 033. INDIA