



MADHUCON

MADHUCON PROJECTS LIMITED

**26th ANNUAL REPORT
2015-2016**



MADHUCON PROJECTS LIMITED



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

Company Secretary:
Smt. Asfia Moin
w.e.f 10/08/2016

Auditors:

M/s. Kota &Company
Chartered Accountants
(FRN-011982S)
H.No.331, Arora Colony-2
Road No.3, Banjara Hills,
Hyderabad-500034.

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 – 500 032

Bankers:

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

NOTICE

To
The Members,
Madhucon Projects Limited

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Madhucon Projects Limited **will be held on Saturday the 24th September, 2016 at 3.00pm 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 for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 together with the report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year 2015-16.
3. To appoint Auditors and to fix their remuneration.

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **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, M/s. Kota & Company, Chartered Accountants, (FRN - 011982S) Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration (including out of pocket and incidental expenses) as may be determined by the Board of Directors of the Company".

SPECIAL BUSINESS:

4. **Re-appointment of Sri. Nama Seethaiah (DIN- 00784491) as Managing Director & CEO 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 re-appointment of Sri. Nama Seethaiah, Managing Director & CEO of the Company for a period of three years w.e.f. 1st May, 2016 on monthly Managerial Remuneration of Rs.5,00,000/- (Rupees Five lakhs 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, 2017:**

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 M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending March 31st, 2017, 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**

Place: Hyderabad
Date: 10-08-2016

Asfia Moin
ACS-37280
Company Secretary

**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 17th September, 2016 to 24th September, 2016 (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 17th September, 2016; 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 2008-2009 to 2014-2015 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. The Dividend which remained uncashed for the financial year 2008-2009 is due to be transferred to "Investor Education and Protection Fund" on 29th October, 2016. Therefore, Shareholders may approach Secretarial Department of the Company for claiming their dividend on or before 29th October, 2016.
15. Members may also note that the copy of notice of this Meeting and the Annual Report for the financial year 2015-16 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:Re-appointment of Sri. Nama Seethaiah (DIN-00784491) as Managing Director& CEO of the company:

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on 15th April 2016 had recommended for the re-appointment of Sri. Nama Seethaiah as Managing Director& CEO of the Company on the existing monthly managerial remuneration of Rs.5,00,000/- (inclusive all allowances and perquisites) for a period of 3 (Three) Years w.e.f. 1st May, 2016.

In terms of the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 approved by the Board of Directors Accordingly, the Shareholders are requested to ratify re-appointment of Sri. Nama Seethaiah as Managing Director& CEO of the Company, as set out in the Ordinary Resolution in Item No. 4.

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

Item No. 5: Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2017:

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2017.

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, 2017, 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**

Place: Hyderabad
Date:10-08-2016

Asfia Moin
ACS-37280
Company Secretary

DIRECTORS REPORT

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the audited financial statements for the year ended march 31, 2016

1. FINANCIAL SUMMARY

(Rs in Lakhs)

Particulars	2015-2016	2014-2015
Gross Income	74020.42	116496.07
Profit before Depreciation & Taxation	6449.00	10020.39
Depreciation	3227.51	3777.85
Profit before Taxation	3221.49	6242.54
Provision for Taxation		
i) Current Tax	687.51	1308.50
ii) Deferred Tax	--	--
Profit after Taxation	2533.98	4934.04
Profit available for appropriation	2533.98	4934.04
APPROPRIATION		
General Reserve	253.39	493.40
Proposed Dividend	73.79	73.79
Corporate Tax on Proposed Dividend	15.02	11.97
Balance transferred to Balance Sheet	2191.78	4264.92
Earnings per Share (Rs.)	3.43	6.69
Book Value (Rs.)	104.35	100.92
Paid-up Equity Share Capital	740.32	740.32
Reserves & Surplus	76265.39	73731.41

2. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 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 15 (Fifteen) times during the financial year 2015-2016. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
534	29.05.2015	536	17.07.2015	540	15.10.2015	543	14.01.2016
534 (Adjourned Meeting)	30.05.2015	537	14.08.2015	541	14.11.2015	544	03.02.2016
535	29.06.2015	538	21.08.2015	542	23.12.2015	545	12.02.2016
		539	19.09.2015			546	05.03.2016
						547	29.03.2016

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, 2016; 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 2016 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.

4A 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 2015-2016. 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

5. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) making them eligible to act as Independent Directors.

6. 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 attributes, and independence of a director of the Company. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

7. 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.

8. 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.

**9. 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**.

10. RESERVES

During the year, the Company has transferred an amount of Rs.253.39 Lakhs to General Reserves.

11. DIVIDEND

Your Directors are pleased to recommend an Equity Dividend of 10% on paid up equity capital for the year ended 31.03.2016, subject to approval of the members at this Annual General Meeting.

12. 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.

13. 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.

14. 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.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

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

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

16. 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.

17. 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 and is attached in **ANNEXURE V**.

18. 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 Accounting Standards AS-21 and AS-27 on consolidated financial statements, read with the Accounting Standard AS-23 on Accounting for Investments in Associates, Your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2016, 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.

19. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name of the Director	Appointed/Resigned	Date of appointment/ Cessation
1	Sri. Mohammad Shafi, Whole-time Director	Appointed	30.05.2015
2	Sri. Kandimalla KVN Prasad, Independent Director	Resigned	12.02.2016

20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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.

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 2015-16, 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 repayment as on 31st March 2016.

25. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee was re-constituted on 12.02.2016 and comprised of the following directors as on 31st March 2016:

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 was constituted on 12.02.2016 comprised of the following directors as on 31st March 2016:

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

M/s Kota & Company, Statutory Auditors (FRN-011982S) of the Company, expressed their willingness to be appointed for the financial year 2016-2017 and to hold office up to the conclusion of the next Annual General Meeting, if they are appointed at this Annual General Meeting. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under 141(1)(g) of the Companies Act, 2013.

28. COST AUDITORS

The Board of Directors, on recommendation of Audit Committee re-appointed M/s 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, 2016 and ending on 31st March, 2017.

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, M/s. Rakhi Agarwal & Associates has been appointed as Secretarial Auditors of the Company for the financial year 2015-16 to carry out the Secretarial Audit and issue report there on. Secretarial Audit report as issued by Ms. Rakhi Agarwal & Associates, Practicing Company Secretaries is annexed to this Report as **ANNEXURE VI**

30. LISTING WITH STOCK EXCHANGES

The Company's securities have been listed 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 2016-2017.

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: 10-08-2016

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 31.03.2016**

(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)	7.36	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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	31028595	0	31028595	42.05	31018595	0	31018595	42.04	0.01
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)	43445538	0	43445538	58.88	43445538	0	43435538	58.86	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3438221	0	3438221	4.66	3651254	0	3651254	4.95	0.29
b) Banks / FI	7505	0	7505	0.01	77706	0	77706	0.11	0.10
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	00	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	354780	0	354780	0.48	312280	0	354780	0.42	0.06
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (foreign bodies - DR)	0	0	0	0	105336	0	105336	0.14	0.14
Sub-total (B)(1):-	3800506	0	3800506	5.15	4146576	0	4146576	5.62	0.47
2. Non-Institutions									
a) Bodies Corp.	6776296	0	6776296	9.18	4792278	0	4792278	6.49	2.69
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12145457	258260	12403717	16.81	14480808	256260	14737068	19.97	3.10
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6778864	0	6778864	9.18	6115157	0	6115157	8.29	0.89
c) Others (specify)									
Non Resident Indians	355644	0	354644	0.48	474967	0	474967	0.64	0.16
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	100039	0	100039	0.14	78356	0	78356	0.11	0.03
Trusts	6000	0	6000	0.01	6000	0	6000	0.01	0
Foreign Bodies - D R	105336	0	105336	0.14	0	0	0	0	0
Sub-total (B)(2):-	26266636	258260	26524896	35.94	25950566	258260	26208826	35.52	0.42
Total Public Shareholding (B)=(B)(1) + (B)(2)	30067142	258260	30325402	41.09	30313116	42286	30355402	41.13	0.05
C. Shares held by Custodian for GDRs & ADRs	24000	0	24000	0.03	24000	0	4000	0.01	0.02
Grand Total (A + B + C)	73536680	258260	73794940	100	73536680	258260	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	Vamma Nama	645000	0.87	0	645000	0.87	0	0
11	Ramarao Nama	509000	0.69	0	509000	0.69	0	0
12	Seetharamaiah Mareddi	165000	0.22	0	165000	0.22	0	0
13	Bhuvaneswari Nama	67500	0.09	0	67500	0.09	0	0
14	Madhu Malampati	24000	0.03	0	24000	0.03	0	0
15	Venkata Subbarao Thottempudi	24000	0.03	0	24000	0.03	0	0
16	Sucharita Thottempudi	24000	0.03	0	24000	0.03	0	0
17	Madhucon Granites Limited	80,44,000	10.90	0	8044000	10.90	0	0
18	Nama Investments Limited	36,44,410	4.94	0	36,44,410	4.94	0	36,44,410
19	NNR Infra Investment Pvt Ltd	7,28,533	0.99	0	7,28,533	0.99	0	7,28,533

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	43445538	58.87	43445538	58.87
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3.	At the end of the year	43445538	58.87	43445538	58.87


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 (01.04.2015)		Change in Shareholding		Shareholding at the end of the year(31.03.2016)	
		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	-	-	2702048	3.66
7	Krishnaiah Nama	2676183	3.63	-	-	2676183	3.63
8	Ashish Dhawan	1794999	2.43	-	-	1794999	2.43
9	Sundaram Mutual Fund A/C Sundaram Select Microcap	1197770	1.62	-	-	1197770	1.62
10	Srinivasarao Kamma	1009000	1.37	-	-	1009000	1.37

E) Shareholding of Directors and Key Managerial Personnel:

S.No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	7010800	9.5%	7010800	9.5%
1	Date wise Increase / Decrease in Directors and Key Managerial Personnel 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	5,90,53,19,671	63,89,22,921	-	6,54,42,43,592
ii) Interest due but not paid	57,24,05,217	4,21,14,088	-	61,45,19,305
iii) Interest accrued but not due	1,73,95,500	-	-	1,73,95,500
Total (i + ii + iii)	6,49,51,20,388	68,10,37,009	-	7,17,61,57,397
Change in Indebtedness during the financial year				
* Addition	3,80,67,494	6,03,06,482	-	9,83,73,976
* Reduction	1,60,10,85,307	16,50,94,383	-	1,76,61,79,690
Net Change	(1,56,30,17,813)	(10,47,87,901)	-	(1,66,78,05,714)
Indebtedness at the end of the financial year				
i) Principal Amount	4,86,28,03,534	57,59,40,387	-	5,43,87,43,921
ii) Interest due but not paid	6,92,99,041	3,08,721	-	6,96,07,762
iii) Interest accrued but not due	-	-	-	-
Total (I + ii + iii)	4,93,21,02,575	57,62,49,108	-	5,50,83,51,683

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	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	
	Gross salary	60,00,000	30,00,000	20,00,000	110,00,000
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	
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	
6	Total (A)	60,00,000	30,00,000	20,00,000	1,10,00,000
7	Ceiling as per the Act (11% of Net Profit as calculated as per Section 198 of the Companies Act, 2013)	5,42,74,439			

B. Remuneration to other directors

S N.	Particulars of Remuneration	Name of Directors			Total Amount
		P. Madhava Rao, Independent Director	Kandimalla KVN Prasad, Independent Director	Ch. Lakshmi Kumari, Independent Director	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	0
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (1)	Nil	Nil	Nil	0
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	0
	Commission	Nil	Nil	Nil	0
	Others, please specify	Nil	Nil	Nil	0
	Total (2)	Nil	Nil	Nil	0
	Total (B) = (1 + 2)	Nil	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	Nil	4,92,000	Nil	4,92,000
	(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	4,92,000	Nil	4,92,000

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:

The country's development is reflected by its infrastructure and infrastructure sector continues to be a key driver of the nation's economic progress. Despite battering through an ever growing gauntlet of challenges like rising interest rates, inflation, sluggish order inflows and squeezed profitability, the infrastructure sector continues to perform convincingly better, thanks to a number of companies who stood up the test of time and are creating a legacy for others to emulate.

Construction is the second largest economic activity after agriculture. India's focus on infrastructure over the last decade made the country the second fastest growing economy in the world. India has an extensive road network of 4.86 Million kms, which is the second largest in the world.

Indian economy is expected to grow marginally higher at 7.5% during the year compared with 7.2% in 2014 and interest rate cuts will buttress private sector spending. Considering the enhanced focus on this sector by the Indian Government, policy makers expect that 10% of India's GDP is based on construction activity and they project USD 1,000 Billion investments for infrastructure sector in 12th five year plan (2012-17) with 100,000 kms of national highway by the end of 2017. Road infrastructure is a government's key priority sector has received strong budgetary support over the years. The Indian Government is taking every possible initiative to boost the infrastructure sector and undertaken a number of measures to ease access to funding for the sector. The Reserve Bank of India (RBI) has notified 100 per cent foreign direct investment (FDI) under automatic route in the construction development sector.

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. 4240.27Crore and participating in various Tenders and RFPs valued at Rs. 25244.69 Crore in various projects in India.

1. Segment-wise performance:

1. Transportation Division:

- a) 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.
- b) Your Company has been awarded the following new EPC Works from NHAI:
 - i. Hunli Anini Road for a total design length of 16.00Kms in the state of Arunachal Pradesh for an estimated value of Rs. 245.79 crore (Package-I)
 - ii. Hunli Anini Road for a total design length of 16.00Kms in the state of Arunachal Pradesh for an estimated value of Rs. 198.00 crore (Package-II)
- c) Your Company has also been awarded an Item rate work of BPCL –Site grading works including Earth work, Roads, Drains, Compound wall, Piling Works for propylene derivative petrochemical Project (PDPP) of M/s. BPCL-Kochi Refinery in the state of Kerala for an estimated value of Rs.157 Crore.

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. 2206.79 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharastra, Madhaya Pradesh, Uttar Pradesh and Telangana.

3. Mining Division:

The work for removal of OB 416.46 Lakh Cub. Mtrs. and Coal 159.39 Lakh Metric Tons valued Rs.42,206 Lakh at Phularitand (BCCL) Project within the period of 7 years vide work order dated 07.02.2012 is under progress.

III. Outlook:

The outlook for the Infrastructure sector appears positive since the country is looking forward with a strong mandate to stimulate economic growth. Government of India has significantly increased allocation of funds by Rs.70,000 Crore for investments in infrastructure in the Union Budget 2015-16. Your Company is giving major thrust in various infrastructure sectors to reap the benefit of growth in infrastructure sector.

IV. Risks and Concerns:

Construction delays continue to be a concern factor which stems from number of factors outside the control of the project sponsors, which includes land acquisition, regulatory approvals, inflation, and litigation etc., which can delay the timely completion of the project and increase in cost of project. This can, in turn, lead to additional funding, additional cost of fund etc. Further the Indian industry, in general, the construction sector, in particular, is suffering from high interest costs. To stimulate much needed growth in the real economy, RBI and the commercial banks have to further cut their interest rates.

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 gross income of Rs. 74,020.42 lakh as against Rs. 116,496.07 lakh in the previous year. The Company has earned a net profit of Rs. 2,533.98 lakh as against Rs. 4934.04 lakh in the previous year after providing for depreciation of Rs. 3,227.51 lakh as against Rs. 3,777.85 lakh in the previous year.

Material developments in 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 READ WITH RULE 8 (3) OF COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakh)

PARTICULARS	2015-16	2014-15
Foreign Exchange Earnings:		
Advance received	Nil	3657.65
Foreign Exchange Outgo:		
i. Towards traveling	10.17	9.39
ii. Towards import of capital goods (CIF)	127.13	Nil
iii. Towards payment to equipment suppliers	Nil	2386.54
iii. On account of others:		
a) Investment	Nil	Nil
b) Interest	17.17	16.44
c) Loan Repayment	8.84	325.43
iv. Others	Nil	3.26

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. 35.47 Crs.

Prescribed CSR Expenditure (two per cent of the amount as above) Rs. 70.94 Lakh.

The Company is in search of CSR Projects / Programs within the purview of CSR Activities as stated in CSR Policy to be undertaken in the area it operates. Hence the Company could not spend any amount for the financial year 2015-16. Moving forward, the Company will endeavor to spend on CSR activities in accordance with the CSR Policy of the Company and Companies Act, 2013 and rules made there under.

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

ANNEXURE V
34. REPORT ON THE PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES COMPANIES:
FORM AOC-1
PART-A: Subsidiary Companies
Rs. in Lakh

Sl. No.	Name of the Subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
1	Madhucon Infra Limited	128777.70	(24,892.12)	195,156.53	91,270.95	126,912.70	7774.97	(357.51)	--	(357.51)	--
2	Madurai Tuticorin Expressways Limited	16365.00	(15,824.51)	83,669.94	83,129.45	22.69	8910.35	(5,601.84)	--	(5,601.84)	--
3	Nama Hotels Private Limited	2713.12	(82.32)	8,140.73	5,509.93	--	--	(12.40)	--	(12.40)	--
4	TN(DK) Expressways Limited	7466.00	(3,422.42)	31,837.20	27,793.63	--	4,092.78	(738.27)	--	(738.27)	--
5	Trichy Thanjavur Expressways Limited	6465.00	(7,450.60)	37,468.86	38,454.47	18.67	3783.43	(4,324.20)	--	(4,324.20)	--
6	Chhapra- Hajipur Expressways Limited	6418.38	(92.10)	90,972.91	84,646.64	--	--	(3.20)	--	(3.20)	--
7	Madhucon Toll Highways Limited	35888.10	(333.37)	36,477.60	922.88	26141.58	756.42	(120.86)	2.29	(123.15)	--
8	Madhucon Mega Mall Private Limited	3.00	(41.62)	3,597.32	3,635.94	--	0.99	0.72	--	0.72	--
9	Madhucon Heights Private Limited	3.00	(54.28)	7,507.09	7,558.36	--	--	(0.81)	--	(0.81)	--
10	Barasat- Krishnanagar Expressways Limited	4340.00	(108.80)	74,859.65	70,628.45	20.10	0.11	(10.52)	--	(10.52)	--
11	Ranchi Expressways Limited	8080.00	(130.11)	116,303.47	108,353.58	--	4.55	(9.34)	--	(9.34)	--
12	Vijayawada-Machilipatnam Expressways Limited	45.00	(4.65)	246.36	206.01	--	1.65	0.84	--	0.84	--
13	Rajauli -Bakhtiyarpur Expressways Limited	25.00	(8.33)	817.75	801.08	--	--	(3.94)	--	(3.94)	--
14	Simhapuri Energy Limited	87214.13	61,596.13	458132.29	309322.03	36.17	189,849.43	20,568.83	4,277.43	16,291.40	--
15	PT Madhucon Indonesia	7924.06	(3424.39)	11045.44	5855.26	--	86.09	(1114.11)	--	(1114.11)	--

Part - B : Associates and Joint Ventures										(Rs. in Lakh)
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 end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates / Joint Ventures	Extend of Holding %					
									Considered in Consolidation	Not Considered in Consolidation
ASSOCIATES										
1	Madhucon Properties Limited	31.03.2016	20,000	2.00	33.33	Significant influence due to shareholding	--	-4.30	-0.59	--



RAKHI AGARWAL
Company Secretary

A-10, Janata Hsg. Society,
Shyamlal Building,
Opp: Pantaloon, Begumpet,
Hyderabad – 500 016
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, 2016

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, 2016 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, 2016 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 except in respect of number of 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 30th September, 2015.
- 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 Professional, Trades Calling and Employment, 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: 30-05-2016


RAKHI AGARWAL
COMPANY SECRETARY

FCS NO.7047

CP NO.6270



RAKHI AGARWAL
Company Secretary

A-10, Janata Hsg. Society,
Shyamlal Building,
Opp: Pantaloons, Begumpet,
Hyderabad – 500 016
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: 30-05-2016

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 Remuneration
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- 1706
- (v) The explanation on the relationship between average increase in remuneration and Company performance;
The number of employees increased to 18.55% during the financial year. Consequently the average remuneration increased to 22.30%.
- (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 2015-16 (aggregated)	110.00
Net Profit after tax	2533.98
Remuneration (as % of Net Profit)	4.34

- (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 31.03.2016	As at 31.03.2015	As at 31.03.2014	Variation in(%)
Closing Price of share at BSE	Rs.	54.40	55.00	13.79	299
EPS (Consolidated)	Rs.	3.43	6.69	4.30	55.58
Market Capitalization	Rs/Cr	401.45	405.87	101.76	299
Price Earnings ratio	Ratio	7.38	8.22	3.21	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, 2016 increased by 81.33% (Rs.54.40/-) 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 2015-16.

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	2533.98	2.37
Sri K. Srinivasa Rao, Whole-time Director	30.00	2533.98	1.18
Sri. Mohammed Shafi, Whole Time Director	20.00	2533.98	0.79

- (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;
- (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, 2016

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 2016, 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 31.03.2016 has been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2015-2016)	Attendance at previous AGM held on 30.09.2015
1	Sri N. Seethaiah Managing Director	15	Yes
2	Sri K. Srinivasa Rao Whole-time Director	15	No
3	Sri. Mohammad Shafi Whole-time Director	12	No
4	Sri P. Madhava Rao Independent Director	15	Yes
5	Smt. Ch. Lakshmi Kumari Independent Director	8	No
6	Sri. Kandimalla KVN Prasad Independent Director Ceased from directorship w.e.f 12.02.2016	1	No

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 2016 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Sri N. Seethaiah	Managing Director	11	5	1
2	Sri K. Srinivasa Rao	Whole-time Director	15	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
6	Sri. Kandimalla KVN Prasad Ceased from directorship w.e.f 12.02.2016	Independent Director	4	2	0

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

The Board met 15 (Fifteen) times during the financial year 2015-2016. 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
534	29.05.2015	536	17.07.2015	540	15.10.2015	543	14.01.2016
534 (Adjourned Meeting)	30.05.2015	537	14.08.2015	541	14.11.2015	544	03.02.2016
535	29.06.2015	538	21.08.2015	542	23.12.2015	545	12.02.2016
		539	19.09.2015			546	05.03.2016
						547	29.03.2016

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 was re-constituted on 12.02.2016 and comprised of the following directors as on 31st March 2016:

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

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 (2) of the Listing Regulations, the Audit Committee met 4 (Four) times during the financial year under review, on 30.05.2015, 14.08.2015, 14.11.2015, and 12.02.2016 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 w.e.f 12.02.2016	Chairman	3
2	Sri N. Seethaiah	Member	4
3	Sri P. Madhava Rao	Member	1
4	Sri Kandimalla KVN Prasad Upto 12.02.2016	Chairman	2

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:

Remuneration Committee has been reconstituted as Nomination and Remuneration Committee on 12.02.2016 comprised of the following non-executive independent directors as on 31st March 2016:

- 1) Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
- 2) Sri. Srinivasa Rao Kamma, Executive 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 1 (One) time, during the financial year under review, on 29.05.2015 and approved the Remuneration Policy. 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 w.e.f 12.02.2016	Chairperson	1
2	Sri. Srinivasa Rao Kamma	Member	0
3	Sri. P Madhava Rao	Member	1
4	Sri Kandimalla KVN Prasad up to 12.02.2016	Chairman	1

iv. Remuneration Policy:

The Policy provides for the following:

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

Criteria for performance evaluation as laid down by nomination 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 2015-2016 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 2016:

As on 31st March 2016, the Company had 3 (Three) executive directors and 2 (Two) non-executive directors, the three 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. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

i. Composition of the Committee:

The Stakeholders' Relationship Committee was constituted on 12.02.2016 comprised of the following directors as on 31st March 2016:

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

ii. Name and Designation of Compliance Officer:

Smt. Asfia Moin, ACS-37280, Company Secretary has been designated as the Compliance Officer of the Company w.e.f 10th August, 2016.

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 51 Complaints from Shareholders and disposed of 51 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 redressal of Shareholders' Grievances:**

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

vii. Attendance during the year:

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 30.05.2015, 14.08.2015, 14.11.2015 and 12.02.2016 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	3
2	Sri N. Seethaiah	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
25 th AGM(2014-2015)	30.09.2015 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1. Adoption of new Articles of Association of the Company U/S 14 of the Companies Act, 2013.
24 th AGM(2013-2014)	27.09.2014 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1. Renewal of Borrowing Limits and creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013.
23 rd AGM(2012-2013)	28.09.2013, 3.00PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil

iii. Postal Ballot:

During the year no resolution was passed through postal ballot

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

iv. Meeting of Independent Directors

Pursuant to the companies Act,2013 read with rules made there under and Secretarial Standard-I issues by the Institute of Company Secretaries of India and SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 a meeting of the Independent Directors of the Company for the calendar year 2015 was held on 12th February,2016 and next meeting of the Independent Directors will be held in calendar year 2016.

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, 2016 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 following link :
<http://www.madhucon.com/corporate/investors.html>
- viii. **SEBI Prevention of Insider Trading:**
With SEBI imposing the responsibility of "Prohibition of Insider Trading" in the Organizations, Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed under SEBI (Prohibition of Insider 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 2016. 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 KSRK Prasad, Statutory Auditor 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 2015-16 relating to quarterly un-audited financial results are as follows:

Financial Reporting for the :	
1st Quarter ended 30 th June 2015	14 th August, 2015
2nd Quarter ended 30 th September 2015	14 th November, 2015
3rd Quarter ended 31 st December 2015	12 th February, 2016
4th Quarter ended and financial year 31 st March 2016	30 th May, 2016

- 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 Andhra Prabha 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 : 24.09.2016
 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 17th September, 2016 to 24th September, 2016 (inclusive of both days) for the purpose of Annual General Meeting.

iv) Dividend Payment Date: 23rd October, 2016

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 2015-2016:

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 2016 are as under-

A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2015	74.50	54.70	17,79,566	21,720
May 2015	68.50	56.00	8,37,458	9,505
June 2015	70.70	52.20	7,47,480	8,844
July 2015	76.30	59.00	15,01,374	17,252
August 2015	88.70	50.50	20,51,243	20,634
September 2015	66.70	45.00	6,21,592	8,077
October 2015	81.40	62.30	8,04,775	9,718
November 2015	81.50	68.00	5,79,990	7,310
December 2015	86.60	74.10	7,20,466	8,870
January 2016	76.25	53.30	3,21,408	3,582
February 2016	60.05	39.10	2,72,772	3,048
March 2016	58.50	41.85	5,59,556	6,668

B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2015	74.90	54.25	62,91,171
May 2015	68.45	56.35	35,73,399
June 2015	70.95	55.65	35,60,143
July 2015	76.45	60.00	71,64,106
August 2015	88.50	51.00	85,45,365
September 2015	66.80	45.60	31,56,778
October 2015	81.80	62.00	38,57,053
November 2015	81.50	69.00	25,74,434
December 2015	86.35	74.30	35,15,473
January 2016	76.30	53.10	15,54,191
February 2016	53.10	39.50	12,09,104
March 2016	58.35	40.00	24,15,875

viii) Registrar and Transfer Agents:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31- 32, Gachibowli, Financial District,
NanakramgudaHyderabad, 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, 2016

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	13392	95.88	5639399.00	7.64
5,001 - 10,000	233	1.67	1794624.00	2.43
10,001 - 20,000	148	1.06	2200711.00	2.98
20,001 - 30,000	59	0.42	1493897.00	2.02
30,001 - 40,000	21	0.15	727103.00	0.99
40,001 - 50,000	18	0.13	814220.00	1.10
50,001 - 1,00,000	41	0.29	2907143.00	3.94
1,00,001 - Above	55	0.39	58217843.00	78.89
TOTAL	13967	100.00	73794940.00	100.00

xii. Dematerialization of shares and liquidity:

7,35,36,680 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,58,260 are in physical form equivalent to 0.35% as on 31st March 2016.

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	53110056	71.97
CDSL	20428624	27.68
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 within the prescribed time limit as set in the Listing Regulations for the Financial Year 2016-2017.

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.)
2014-2015	Final	10	0.10	7379494
2013-2014	Final	20	0.20	14758988
2012-2013	Final	10	0.10	7379494

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 31,2016.

For and on behalf of the Board

Place: Hyderabad
Date: 10-08-2016

Nama Seethaiah
Managing Director
DIN-00784491

CEO/GM (Finance) Certification

In relation to the Audited Financial Accounts of the Company as at March 31, 2016, Sri 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 fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates 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, wherever applicable and
 3. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting, wherever applicable.

Place: Hyderabad
Date: 10.08.2016

K. Venkateswarlu
General Manager
Finance & Accounts

N. Seethaiah
Managing Director & CEO
(DIN-00784491)

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Madhucon Projects Limited

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited (the Company), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with Stock Exchanges (for the period 1st April 2015 to ended 30 November 2015) and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') as referred to in Regulation 15(2) (for the period 1st December 2015 to 31 March 2016).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and the SEBI Regulations as applicable.

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

For Kota & Company
Chartered Accountants
Firm Registration No: 011982S

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

Place: Hyderabad
Date: May 30th, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MADHUCON PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 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 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 there under. 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 the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2016, its profit and its cash flows 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, 2016:

- a. Note No. 2.12(iii) 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 due to non completion of the project within the time. 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 closing balance as at March 31, 2016 is Rs.3633.80 Lakhs.
- b. Note No. 2.12(iv) 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 significant influence

and 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, 2016 with respect to Nama Investments Limited and NNR Investments Limited are Rs.3886.45 Lakhs and Rs.473.34 Lakhs respectively.

- c. Note No. 2.12(vii) 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, the Company has granted interest free loans and advances during the year to these companies is Rs.24039.95 lakhs and closing balances against these loans and advances as at March 31, 2016 are aggregating to Rs.72854.13 lakhs.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by the 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 balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
 - (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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'; and
 - (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, in our opinion and to the best of our information and according to the explanation given to us:
 - i. the Company has disclosed the impact of pending litigations if any on its financial position in its 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 including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Kota & Company

Chartered Accountants

Firm's Registration Number: 011982S

K. S. R. K. Prasad

Partner

Membership Number: 022964

Place: Hyderabad

Date : 30.05.2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our Audit Report to the members of the Company on the financial statements
for the year ended 31st March 2016, we report that:

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details of Fixed Assets.
 - (b) All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management. The Company is maintaining proper records of inventory and any discrepancies noticed on physical verification are being properly dealt in the books of accounts.
- (iii) According to information and explanations given to us, the Company has granted loans to 10 parties covered in the register maintained under section 189 of the Act. Out of which 8 parties have been granted interest free loans. (a), (b) & (c) Since the repayment schedule for such loans is not stipulated, we are unable to comment on the regularity of receipt of principal and interest as well as the adequacy of steps taken to recover the amount.
- (iv) In our opinion, and according to Information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act to the extent applicable, in respect of loans, investments, guarantees and security.
- (iv) According to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules there under are not applicable to the Company.
- (v) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi)
 - a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Sales tax, Service tax, duty of customs, duty of excise, value added tax, cess and all other statutory dues have been generally regularly deposited with the appropriate authorities except the following:

Name of the Statute	Nature of Dues	Period	Rs. in Lacs
The Income Tax Act, 1961	Dividend Distribution Tax & Interest there on	2011-12 to 2015-16	78.12
The Building and other Construction workers welfare Cess Act, 1996	Labour Cess	2011-12	343.28
Professional Tax	P T Payable	2011-12 to 2015-16	41.88
The Employees Provident funds and Miscellaneous provision act 1952	Provident Fund	2012-13 to 2015-16	164.34
Sales Tax	Sale Tax payable	2013-14 to 2015-16	190.47
Works Contract Tax	Works Contract Tax	2014-15 to 2015-16	293.98
The Income Tax Act, 1961	Tax Deducted at Source & Interest there on	2015-16	418.91

- (b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, duty of customs, duty of excise which have not been deposited on account of any dispute, except the following:

Nature of Duty	Dispute pending before	Period	Rs. In Lacs
Income Tax	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

- (vii) 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:

Delay in Interest payments: Amount in Rs. Lakhs

Name of the Bank	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 and above days
Axis Bank	128.48	77.71	26.03	0	0
Bank of India	125.42	96.13	98.40	29.32	0
ICICI Bank	1389.51	567.80	435.03	0	0
IDBI Bank	672.52	0	0	0	0
ING Vysya Bank	222.11	202.95	180.00	181.05	0
Oriental Bank of Commerce	263.49	163.76	110.26	59.07	0
Standard Chartered Bank	26.67	0	0	0	0
State Bank of India	326.11	328.57	217.97	0	0
United Bank of India	2.87	5.44	0	4.35	193.52
Name of the Financial Institution					
Magma Fincorp Limited	0	0.29	0.05	3.72	14.08
SREI Equipment Finance Ltd.	222.98	150.08	168.38	443.10	33.23

Delay in Principal repayments: Amount in Rs. Lakhs

Name of the Bank	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 and above days
ICICI Bank	526.74	533.77	1439.49	0	0
Name of the Financial Institution					
Magma Fincorp Limited	0	9.65	0	0	19.59
SREI Equipment Finance Ltd.	278.64	359.04	357.35	1067.63	91.70

The Company has repaid all the above dues on or before 31st March, 2016 except for an amount of Rs.846.34 lakhs and 853.16 Lakhs pertaining to Interest and principal respectively.

- (viii) During the year, no monies were raised by way of public offer or further public offer and as per information and explanations given to us, term loans were applied for the purpose for which they were obtained.
- (ix) 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.
- (x) 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.
- (xi) 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.



- (xii) 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.
- (xiii) 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.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

For Kota & Company

Chartered Accountants

Firm's Registration Number: 011982S

K. S. R. K. Prasad

Partner

Membership Number: 022964

Place: Hyderabad

Date :30.05.2016

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Managements'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 ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial reporting ('the Guidance Note') and the Standards on Auditing, 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to be obtain reasonable assurance about whether adequate internal financial controls over financial reporting we established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion 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 disposition 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of the 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 procedure may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Kota & Company

Chartered Accountants

Firm's Registration Number: 011982S

K.S.R.K.Prasad

Partner

Membership Number: 022964

Place: Hyderabad

Date : 30.05.2016

Balance Sheet as at 31st March, 2016

Rs. in Lakhs

	Note	As at 31st March 2016		As at 31st March 2015	
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2.1	740.32	77,005.71	740.32	74,471.73
(b) Reserves and Surplus	2.2	76,265.39		73,731.41	
A					
(2) Non-Current Liabilities					
(a) Long-term Borrowings	2.3	2,850.75	50,460.89	4,904.82	101,880.37
(b) Other Long term Liabilities	2.4	47,469.54		96,975.55	
(c) Long-Term Provisions	2.5	140.60		-	
B					
(3) Current Liabilities					
(a) Short-term Borrowings	2.6	42,826.48	200,473.15	45,415.00	161,831.21
(b) Trade Payables	2.7	69,359.73		19,516.80	
(c) Other Current Liabilities	2.8	75,585.19		78,551.82	
(d) Short-Term Provisions	2.9	12,701.75		18,347.59	
C					
Total (A+B+C)			327,939.75		338,183.31
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets			275,972.87		234,015.04
(i) Tangible Assets	2.10	5,502.92		8,358.76	
(b) Non-Current Investments	2.11	152,190.20		155,686.39	
(c) Long term Loans and Advances	2.12	86,079.05		33,588.04	
(d) Other Non-Current Assets	2.13	32,200.70		36,381.85	
A					
(2) Current Assets					
(a) Inventories	2.14	3,607.75	51,966.88	911.09	104,168.27
(b) Trade Receivables	2.15	27,936.19		40,311.25	
(c) Cash and Bank Balances	2.16	2,575.74		1,481.74	
(d) Short-term Loans and Advances	2.17	-		47,846.17	
(e) Other Current Assets	2.18	17,847.20		13,618.02	
B					
Total (A+B)			327,939.75		338,183.31

Significant Accounting Policies and Notes forming part of the Financial Statements **1&2**
The accompanying Notes including other Explanatory information form an Integral part of Financial Statements
**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: 30-05-2016**
K. Venkateswarlu
General Manager
Finance & Accounts

Asfia Moin
I/C Company Secretary
ACS-37280

Statement of Profit and Loss for the Period ended 31st March, 2016

Rs. in Lakhs

	Note	Year Ended 31st March 2016		Year Ended 31st March 2015	
Revenue:					
I Revenue from Operations	2.19	71,777.56		113,739.38	
II Other Income	2.20	2,242.86		2,756.69	
III Total Revenue (I + II)			74,020.42		116,496.07
IV Expenses:					
Cost of Materials & Work Expenses	2.21	52,053.05		77,279.66	
Changes in inventory	2.22	(2,696.66)		4,246.97	
Employee Benefit Expenses	2.23	3,805.67		3,955.23	
Finance Costs	2.24	10,548.51		12,785.18	
Depreciation	2.10	3,227.51		3,777.85	
Other Expenses	2.25	3,860.85		8,208.64	
Total Expenses			70,798.93		110,253.53
V Profit before Exceptional and Extraordinary Items and Tax (III - IV)			3,221.49		6,242.54
VI Exceptional Items			-		-
VII Profit Before Tax (V - VI)			3,221.49		6,242.54
VIII Tax Expense:					
1) Current Tax		687.51		1,308.50	
			687.51		1,308.50
IX Profit/(Loss) from the period from continuing operations (VII-VIII)			2,533.98		4,934.04
Earning per equity share:					
Basic and Diluted			3.43		6.69

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

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: 30-05-2016

K. Venkateswarlu

General Manager
Finance & Accounts

Asfia Moin

I/C Company Secretary
ACS-37280



Cash Flow Statement for the Year ended 31st March, 2016 Rs. in Lakhs

PARTICULARS	As at 31st March 2016	As at 31st March 2015
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	3,221.49	6,242.54
Adjustments for:		
<u>Add:</u>		
Depreciation	3,227.51	3,777.85
Interest	9,905.84	11,805.41
<u>Less:</u> Income from Investment	479.55	1,228.36
Operating profit before working capital changes	15,875.30	20,597.45
Adjustments for:		
Long term Loans and Advances	(52,491.01)	14,652.66
Other Non-Current Assets	4,181.15	(720.08)
Inventories	(2,696.66)	4,246.97
Trade Receivables	12,375.06	(28,665.69)
Short-term Loans and Advances	47,846.17	(21,595.16)
Other Current Assets	(4,229.19)	23,974.22
Other Long term Liabilities	(49,365.41)	(16,874.33)
Trade Payables	49,842.94	4,134.73
Other Current Liabilities	(7,490.53)	30,983.47
	(2,027.48)	10,136.79
Cash Generated from operations	13,847.81	30,734.23
Direct taxes	(1,809.44)	(1,308.50)
Cash flow before extraordinary items	12,038.37	29,425.73
Extraordinary items	-	-
Net Cash from Operating activities	12,038.37	29,425.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets(net)	(371.66)	(231.69)
Investments	3,496.20	(17,965.00)
Income from investment (Interest)	479.55	1,228.36
Net Cash used in investing activities	3,604.09	(16,968.33)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(10,019.72)	(11,805.41)
Long Term Borrowings	(2,054.07)	(4,127.16)
Short Term Borrowings	(2,474.65)	3,175.85
Dividend Paid	-	(73.79)
Dividend Tax thereon	-	(16.16)
Dividend and Dividend Tax Adjustments of Previous Year	-	(85.77)
Net cash from financing activities	(14,548.45)	(12,932.44)
Net Increase in Cash and Cash equivalents	1,094.00	(475.04)
Cash and cash equivalents as at 31/03/2015 (Opening Balance)	1,481.74	1,956.78
Cash and cash equivalents as at 31/03/2016 (Closing Balance)	2,575.74	1,481.74

Note: Proceeds from Long Term and Short Term Borrowings are shown Net of Repayments

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

K.S.R.K. Prasad
Partner

**Place: Hyderabad
Date: 30-05-2016**

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

Asfia Moin
I/C Company Secretary
ACS-37280

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2016

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 workman ship 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, head 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)

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of accounting and preparation of financial statements:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 (“Act”), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous years unless otherwise stated separately herein below.

1.2. Use of Estimates:

Management makes estimates, technical and other assumptions regarding the amounts of income and expense in accordance with Indian GAAP in the preparation of its financial statements. Difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

1.3. Inventories:

- a) Raw Materials, construction materials and stores & spares are valued at Lower of Cost/Net Realizable Value or under Cost exclude refundable duties and taxes.
- b) Work-in-progress is valued on the basis of the actual expenditure incurred in the case of all incomplete contracts, is stated at the Lower of Cost/ Net Realisable Value.

1.4. Fixed Assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use and other incidental expenses incurred upto that date.

1.5. Depreciation and Amortization:

Depreciation is provided for in the accounts 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.

1.6. Impairment of Assets:

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is greater than the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.7. Investments:

Investments are classified as long term investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any in value of such investments.

1.8. Employee Benefits:

Provident Fund:

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.

1.9. Revenue Recognition:

(i) Accounting of Construction Contracts:

The Company follows the percentage completion method, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted in proportion to the percentage of the actual work done. Future expected loss, if any, is recognized as expenditure.

Revenue is recognized as follows:

- a) In case of Item rate contracts on the basis of physical measurement of work actually completed at the balance sheet date.
- b) In case of Lump sum contracts, revenue is recognized on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through Claims presented or to be presented to the customer or in arbitration.
- c) **Accounting Policy for Claims:**
Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.
- d) **Interest:**
Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

1.10. Income Tax:

- a) **Current Tax:**
Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act 1961
- b) **Deferred Taxes:**
Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

1.11. Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of qualifying asset are capitalized as a part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of the time to get ready for its intended use. Other borrowing costs are charged to statement of Profit & Loss as incurred.

61.12. Accounting for Joint Venture Contracts

- a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the Accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- b) In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit/loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities.

1.13. Foreign Currency Translation:

- a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing on the date of the transaction.
- b) Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account. In case of fixed assets they are adjusted to the carrying cost of such assets. Foreign Currency Monetary Items are re-translated at the exchange rate prevailing on the reporting date.
- c) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those relating to liability for acquiring fixed assets from outside India which are capitalized and those arising from investments in non-integral operations.

1.14. Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

1.15. Leases:

The companies leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements range from 11 months to 10 years, generally and are usually cancellable / revocable by mutual consent on agreed terms. The aggregate lease rent payable are charged as rent / hire in the statement of profit and loss account.

1.16. Earnings Per Share:

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS 20), Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is 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.

1.17. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.0 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

2.1 SHARE CAPITAL

Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
a) Authorized Share Capital		
30,00,00,000 Equity Shares of Re.1/-each	3,000.00	3,000.00
20,00,00,000 Redeemable Preference Shares of Rs.100/- each	2,000.00	2,000.00
Total	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
c) Fully paid up Capital:		
7,37,94,940 Equity Shares of Re.1/- each	737.95	737.95
At Forfeited Shares Amount originally paid up	2.37	2.37
Total	740.32	740.32

d) Reconciliation of the Number of Shares Outstanding

Equity Shares	As at 31st March 2016		As at 31st March 2015	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	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

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 Shareholder	As at 31st March 2016		As at 31st March 2015	
	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
2) Madhucon Granites Limited	8,044,000	10.90	8,044,000	10.90
3) Nama Chinnamma	6,158,000	8.34	6,158,000	8.34
4) Nama Seethaiah	6,001,800	8.13	6,001,800	8.13
Total	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 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

2.2 RESERVES AND SURPLUS

	As at 31st March 2016		As at 31st March 2015	
(a) Securities Premium				
Opening Balance	29,313.07	29,313.07	29,313.07	29,313.07
(b) General Reserve				
Opening Balance	4,632.96		4,139.56	
Add: Additions during the year	253.39		493.40	
Closing Balance		4,886.35		4,632.96
(c) Surplus				
Opening Balance	39,785.38		36,436.20	
Fixed Assets Written off as per companies act 2013	-		(915.74)	
Add: Net profit/(Net Loss) for the current year	2,533.98		4,934.04	
Proposed Dividend	-		(147.59)	
Dividend Distribution Tax	-		(28.13)	
Transfer to Reserves	(253.39)		(493.40)	
Closing Balance		42,065.97		39,785.38
Total (a) + (b) + (c)		76,265.39		73,731.41

2.3 LONG TERM BORROWINGS

Rs. in Lakhs

	As at 31st March 2016		As at 31st March 2015	
Term Loans (Secured)	Non Current	Current Maturities	Non Current	Current Maturities
1) From Banks	-	206.16	-	2,612.92
2) From Financial Institutions	2,850.75	3,657.34	4,904.82	11,844.56
Total	2,850.75	3,863.50	4,904.82	14,457.48

Notes for Long Term Borrowings From Banks and Financial Institutions:**Term Loans from Banks:**(i) **United Bank Of India:** Outstanding amount payable to UBI.**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.

(iii) **Magma Fincorp Limited:** Secured by Hypothication of specific assets purchased out of the loan amount.

Sl.No	Particulars	No.of Instalments	Rate of Interest	Oustanding	Repayment Terms	Period of Maturity
1	SREI Equipment Finance Limited	34	SBR-2.97%	6,113.87	Monthly	Jan-18
2	Mahindra & Mahindra Financial Services Limited	17	11.52%	380.68	Monthly	Aug-16
3	Magma Fincorp Limited	0	11.85%	13.54	Monthly	Feb-15
4	United Bank Of India	0	15.65%	206.16	One Time Payment	Nov-13
			TOTAL	6,714.25		

Delay in repayment of principal and interest to Banks and Financial Institutions as on 31-03-2016

Name of the Bank and Financial Institution	Principal (Rs.in Lakhs)	Period of delay	Interest (Rs.in Lakhs)	Period of delay
From Banks:				
(i) United Bank Of India	-	-	206.16	0-365 days
Total (a)	-	-	206.16	
From Financial Institutions:				
(ii) Magma Fincorp Limited	-	-	13.54	121-365 days
(iii) SREI Equipment Finance Limited	853.16	28-149 days	288.11	28-149 days
Total (b)	853.16		301.65	
Total (a+b)	853.16		507.81	

2.4 OTHER LONG TERM LIABILITIES
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
1) Mobilization Advance	28,811.14	48,456.33
2) Material advance	6,287.09	10,951.38
3) Retention Money Deposits	3,935.29	12,375.62
4) Other Non Current Liabilities	8,436.02	10,482.76
5) Machinery Advance	-	3,667.25
6) Trade Payables - For Suppliers	-	9,326.64
7) Trade Payables - For Services	-	1,715.57
Total	47,469.54	96,975.55

2.5 LONG TERM PROVISIONS
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
1) Provision for Gratuity	116.85	-
2) Provision for Earn Leave	23.75	-
Total	140.60	-

2.6 SHORT TERM BORROWINGS
Rs. in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
LOANS REPAYABLE ON DEMAND-SECURED FROM BANKS		
1) Loans repayable on demand from Banks - Cash Credit	42,826.48	45,415.00
Total	42,826.48	45,415.00

Delay in repayment of principal and interest to banks as on 31-03-2016

Name of the Bank	Interest (Rs.in Lakhs)	Period of delay
(i) State Bank of India - CC A/c	68.10	0-30 Days
(ii) Axis Bank Limited - CC A/c	51.69	0-31 Days
(iii) OBC - CC A/C	44.29	0-30 Days
(iv) ICICI - CC A/c -1	48.34	0-30 Days
(v) ICICI - CC A/c -2	121.98	0-30 Days
Total	334.40	

Note: CC Limits from Axis bank 13.25%, Bank of India 13.20%, IDBI Bank 14.75%, Kotak (ING Vysya) 14.55%, OBC 13.25%, SBI 14.85%, ICICI Bank 14.75% & 12.00%.

The company has availed the Working capital Cash credit facility from various banks under Multiple Banking Arrangement are secured by:

- i) Pari-Passu First charge by way of hypothecation of the company's inventory, work-in-progress and receivables, both present and future (other than project specific) with other working capital lenders.
- ii) Pari-Passu second charge on all the unencumbered movable fixed assets of the company, both present and future with other working capital lenders.

2.7 TRADE PAYABLES

Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
1) For Supplies	13,377.43	3,015.25
2) For Services	55,982.30	16,501.55
Total	69,359.73	19,516.80

2.8 OTHER CURRENT LIABILITIES

Rs. in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
a) Current maturities of long-term debt		
Secured Loans From Banks (Ref. Note No.2.3)	206.16	2,612.92
b) Current maturities and finance lease obligations		
Secured Loans From Financial Institutions (Ref. Note No.2.3)	3,657.34	11,844.57
c) Other payables		
1) Other Liabilities	48,306.07	47,349.11
2) Material Advance	2,221.33	3,154.85
3) Machinery Advance	3,611.48	-
4) Mobilization Advance	4,175.62	7,940.67
5) Royalty Payable	588.11	521.93
6) Retention Money Deposits	12,819.08	5,127.77
Total	75,585.19	78,551.82

2.9 SHORT-TERM PROVISIONS

Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
1) Other Provisions	11,995.35	16,452.27
2) Provision for Taxation	687.51	1,809.44
3) Provision for Dividend	-	73.79
4) Provision for Gratuity	14.71	9.67
5) Provision for Earn Leave	4.18	2.42
Total	12,701.75	18,347.59

2.10 FIXED ASSETS AND DEPRECIATION

S. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	Deletions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
		3	4	5	6=(3+4-5)	7	8	9	10=(7+8-9)	11=(6-10)	12=(3-7)	
1	2											
1	Land	1,299.99	86.80	50.67	1,336.12	-	-	-	-	1,336.12	1,299.99	
2	Buildings	21.67	-	-	21.67	3.75	1.08	-	4.83	16.84	17.92	
3	Plant & Machinery	32,132.20	68.64	872.38	31,328.47	28,970.24	1,614.77	615.54	29,969.48	1,358.99	3,161.96	
4	Tipper & Trucks	11,578.45	454.44	746.91	11,285.97	9,715.19	1,267.54	706.46	10,276.29	1,009.68	1,863.25	
5	Vehicles	1,934.42	6.62	57.35	1,883.68	1,254.28	145.87	34.61	1,365.53	518.15	680.14	
6	Centering Materials	1,951.04	48.05	-	1,999.09	1,947.27	27.70	-	1,974.97	24.12	3.77	
7	Temporary Structures	3,104.14	41.65	-	3,145.79	2,386.97	30.84	-	2,417.81	727.97	717.15	
8	Furniture & Office Equipment	1,164.74	31.63	0.16	1,196.21	634.95	114.73	-	749.68	446.54	529.80	
9	Computer & Software	378.80	4.71	-	383.51	294.02	24.98	-	319.00	64.51	84.78	
	Total	53,565.44	742.54	1,727.47	52,580.51	45,206.68	3,227.51	1,356.60	47,077.59	5,502.92	8,358.76	

Rs. in Lakhs

2.11 NON-CURRENT INVESTMENTS

Rs. in Lakhs

	No. of Shares Held As at 31st March 2016	As at 31st March 2016	No. of Shares Held As at 31st March 2015	As at 31st March 2015
1) INVESTMENTS IN EQUITY CAPITAL				
Quoted				
Canara Bank Limited	4,100	1.44	4,100	1.44
(Shares of Rs.10/each with premium of Rs.25/each)				
Total		1.44		1.44
UNQUOTED -SUBSIDIARIES				
In Shares of Rs.10 each, fully paid up				
1) Madhucon Infra Limited.	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
3) Simhapuri Energy Limited	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
6) PT Madhucon Indonesia	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
8) Trichy Thanjavur Expressways Limited	100,000	10.00	100,000	10.00
9) Chhapra Hajipur Expressways Limited	100,000	10.00	100,000	10.00
10) Madhucon Toll Highways Limited	30,000	3.00	30,000	3.00
11) Madhucon Mega Mall Private Limited.	20,000	2.00	20,000	2.00
12) Madhucon Heights Private Limited	20,000	2.00	20,000	2.00
13) Barasat-Krishnagar Expressways Limited	14,000	1.40	14,000	1.40
14) Ranchi Expressways Limited	14,000	1.40	14,000	1.40
15) Madhucon Natural Resources Limited (Singapore)	750	0.21	750	0.21
Shares of S\$ 1/-each				
16) Others-Subsidiary Companies*	-	-	5,130,090	2,636.29
Associates:				
In Shares of Rs.10 each, fully paid up				
17) Madhucon Agra Jaipur Expressways Limited	100,000	10.00	100,000	10.00
18) Madhucon Properties Limited	20,000	2.00	20,000	2.00
19) Others-Associate Companies*	-	-	4,861,500	488.15
Others:				
20) Rajanagaram Gas Power Private Limited	488,080	48.81	488,080	48.81
Total		152,188.76		155,684.96
(1) Aggregate of Investments	As at 31st March 2016	As at 31st March 2015		
	Cost	Market Value	Cost	Market Value
Quoted Investments	1.44	7.79	1.44	14.56
Unquoted Investments	152,188.76	-	155,684.95	-
Grand Total	152,190.20	7.79	155,686.39	14.56

***Others - Subsidiary Companies** Investments in PT Madhucon Sriwijaya Power and Madhucon Energy Ltd has been sold. Investment in Rjauli Bakhtiyapur Expressways Ltd, Agastyamuni Hydro Power Pvt Ltd, Rudrapayag Hydro Power Ltd and Tilwara Hydro Power Pvt Ltd has written off during the financial year 2015-16.



***Others-Associate Companies** Investment of Madhucon Sugars & Power Industries Ltd and MBN Anchored Earth Ltd has been sold during the financial year 2015-16. Investment in Ramnagar Power Pvt Ltd has been written off during the financial year 2015-16.

2.12 LONG TERM LOANS AND ADVANCES
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
Loans and Advances to Related Parties		
1) Madhucon Infra Limited	61,679.64	-
2) Simhapuri Energy Limited	-	4,688.92
3) Ranchi Expressways Limited	5,616.00	5,616.00
4) PT Madhucon Indonesia	4,469.62	4,469.62
5) Barasat Krishnagar Expressways Limited	-	4,715.00
6) Nama Investments Limited	3,886.45	3,899.34
7) Madhucon Mega Mall Private Limited	3,633.80	3,633.64
8) Nama Hotels Private Limited	5,505.78	4,087.47
9) Vijayawada Machilipatnam Expressways Limited	-	1,224.33
10) Madurai-Tuticorin Expressways Limited	435.00	435.00
11) NNR Infra Investment Private Limited	473.34	438.65
12) Madhucon Heights Private Limited	329.32	-
13) Madhucon Infotech Limited	50.10	57.10
14) Others Advances*	-	322.97
Total	86,079.05	33,588.04

i) *Other Advances given to Rudraprayag Hydro Power Pvt Ltd Rs.128.11 lakhs, Ramnagar Power Pvt Ltd Rs.7.47lakhs, African Natural Resources Ltd (Mauritius) Rs.23.67lakhs, Legend Natura Resources Ltd (Mauritius) Rs.20.62lakhs and Madhucon Oil & Gas Ltd Rs.2.73lakhs has been written off since the companies closed during the F.Y. 2015-16.

ii) Vijayawada - Machilipatnam Expressways Limited a step down subsidiary of the Company entered in to concession agreement with National Highways Authority of India (NHAI) for developing a road project in Andhra Pradesh state. NHAI has terminated the Concession Agreement vide letter no : NHAI /BOT-I/11019/102/2007/63 dated : 29th October 2013 though NHAI failed to issue ROW and further confirmed it vide its letter no. NHAI/BOT-I/11019/102/2007/403 dated 27th August, 2014. Company has preferred a claim on NHAI for an amount of Rs. 11859.70lakhs towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges and consultants fee etc. on this project by the Company and the EPC Contractor. The advances given has been written off during the financial year 2015-2016.

iii) The company has got land allotted through auction bidding to the extent of 9.04 acres at Kukatapally in SY.178 & 179 by Andhra Pradesh Housing Board (APHB) under development agreement dated 9.12.2005 and incorporated the three SPVs as Subsidiaries Madhucon Mega Mall Private Limited (Shopping Mall cum Multiplex), Nama Hotels Private Limited (Four Star Hotel) and Madhucon Heights Private Limited (Residential/office).

Due to unavoidable circumstances, the construction of Shopping Mall cum Multiplex project could not be completed within the time by Madhucon Mega Mall Private Limited. Hence the APHB issued letter bearing No.105/ Madhucon/ AE/PC/2005, dated 16-12-2013 for revoking the Power of Attorney and Resumption of land to the extent of 5.32 Acres, aggrieved by the above said letter the company filed arbitration petition under sec.9 of Arbitration and conciliation Act,1996 before the XI A C J Court, CCC, Hyderabad seeking injunction against the APHB and after elaborate arguments the Hon'ble court was pleased to pass the Status quo order against the APHB and the same is pending.

Further based on the internal assessment and a legal opinion, the management is confident that it will succeed the above case and the loan given to such SPV is fully realizable. The carrying value of the investment is stated as book value. There is no effect of going concern assumption.

iv) Unsecured Loans and advances include amounts given to Nama Investments Limited and NNR Infra Investments Private Limited. These companies have been incurring losses and the accumulated losses exceeded the net worth of these companies. As the value of investments of these companies are more than the loans and advances due from these companies, management is confident on the realisation carrying value of the assets at the values stated in the books of accounts.

v) Madhucon Infra Limited, Trichy-Thanjavur Expressways Limited, Madhucon Heights Private Limited, Nama Hotels Private Limited, PT Madhucon Indonesia and Madhucon Natural Resources Limited, Subsidiaries of the Company have been incurring losses and except MIL, net worth of these companies are fully/ substantially eroded. The management is taking necessary steps/ initiatives to improve the activities/business in these companies. Upon implementation of these initiatives, the management is confident of improving the profitability in these subsidiaries. Management is also confident that the carrying values of investments in and unsecured interest free loans and advances to these subsidiaries (which included amounts given as a sub-ordinate debt in terms of Common Loan Agreement entered with Bankers as a part of promoter's contribution from time to time to its road SPVs for their project finances) are realizable at the value stated in the books.

2.13 OTHER NON-CURRENT ASSETS

	Rs. in Lakhs	
	As at 31st March 2016	As at 31st March 2015
1) Earnest Money Deposits	1,373.33	1,349.02
2) Retention Money Deposits	6,145.62	11,190.01
3) Mobilization Advance	1,669.71	1,683.25
4) Other Non Current Assets	19,751.00	18,957.64
5) Trade Receivables*	3,261.04	3,201.93
Note: Trade receivables outstanding for a period more than six months unsecured and considered good*		
Total	32,200.70	36,381.85

2.14 INVENTORIES

	Rs. in Lakhs	
	As at 31st March 2016	As at 31st March 2015
1) Closing Stock	2,517.02	630.08
2) Closing Work-in-Progress	1,090.73	281.01
Total	3,607.75	911.09

2.15 TRADE RECEIVABLES

	Rs. in Lakhs	
Particulars	As at 31st March 2016	As at 31st March 2015
a) Trade Receivables outstanding for a period less than six months		
Unsecured, considered good		
- Related Parties	22,683.20	35,532.91
- Others	5,252.99	4,778.34
Total	27,936.19	40,311.25

2.16 CASH AND BANK BALANCES
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
I. Cash and Cash Equivalants		
a) Cash on hand	294.56	21.23
b) Balances with Banks		
1) Current Accounts	1,803.51	763.75
2) Balances with Banks for Unpaid Dividend	9.68	10.62
3) FDR With Banks	7.61	6.86
Total (i)	2,115.36	802.46
II. Other Bank balances		
Margin Money Deposits	1,833.71	2,028.30
Less: Bank Deposits with more than 12 months maturity	1,373.33	1,349.02
Total (ii)	460.38	679.28
Grand Total (i + ii)	2,575.74	1,481.74

2.17 SHORT TERM LOANS AND ADVANCES
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
Unsecured Considered good		
1) Related Parties		
a) Madhucon Infra Limited	-	37,639.70
b) Madhucon Heights Private Limited	-	7,340.97
c) Nama Hotels Private Limited	-	2,860.72
d) Rajauli Bakhtiyarpur Expressways Limited	-	4.78
Total	-	47,846.17

2.18 OTHER CURRENT ASSETS
Rs. in Lakhs

	As at 31st March 2016	As at 31st March 2015
1) Other Current Assets	6,614.07	5,086.22
2) Retention Money Deposits	5,788.71	2,833.24
3) Mobilization Advance	4,437.94	4,186.38
4) TDS Receivable	1,006.48	1,512.18
Total	17,847.20	13,618.02

2.0 NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

2.19 REVENUE FROM OPERATIONS:		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
Revenue from Operations:			
a)	Operating Income		
	(i) Civil Engineering Projects	69,736.91	111,225.19
b)	Other Operating Income		
	(i) Sale of Metal, Scrap & Others	2,040.65	2,514.19
	Total	71,777.56	113,739.38
2.20 OTHER INCOME		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Interest Income	479.55	1,228.36
(b)	Other Non-operating Income	1,285.16	1,528.33
(c)	Profit on Sale of Fixed Assets	155.06	-
(d)	Foreign Exchange Gain	323.09	-
	Total	2,242.86	2,756.69
2.21 A. COST OF MATERIALS		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Cement	1,197.40	843.29
(b)	Steel	1,963.76	1,353.45
(c)	Bitumen	3,566.59	910.56
(d)	General Stores	1,805.15	1,787.44
(e)	Other Materials	6,576.70	6,853.59
	Total (A)	15,109.60	11,748.33
B. WORK EXPENSES		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Road Work Expenses	8,713.37	9,561.97
(b)	Civil Works Expenses	3,462.26	29,537.87
(c)	Earth Work Expenses	23,520.37	24,059.28
(d)	Repairs & Maintenance	1,225.73	1,084.02
(e)	Other Works Expenses	21.72	1,288.19
	Total (B)	36,943.45	65,531.33
	Total (A + B)	52,053.05	77,279.66

2.22 CHANGES IN STOCKS & WORK IN PROGRESS		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Opening Stock	630.08	2,216.62
(b)	Opening Work-in-Progress	281.01	2,941.44
(c)	Closing Stock	(2,517.02)	(630.08)
(d)	Closing Work-in-Progress	(1,090.73)	(281.01)
Increase/Decrease in Work-in-Progress		(2,696.66)	4,246.97
2.23 EMPLOYEE BENEFIT EXPENSES		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Salaries & Wages and Bonus	3,541.89	3,891.84
(b)	Staff Welfare Expenses	263.78	63.39
Total		3,805.67	3,955.23
2.24 FINANCE COST		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
(a)	Interest Expense	9,905.84	11,805.41
(b)	B.G. Commission	642.67	979.77
Total		10,548.51	12,785.18
2.25 OTHER EXPENSES		Rs. in Lakhs	
		Year Ended 31st March 2016	Year Ended 31st March 2015
Administrative Expenses			
(a)	Travelling Expenses	125.05	163.13
(b)	Security Expenses	238.38	275.73
(c)	Insurance Charges	64.03	77.27
(d)	Legal Expenses	164.92	145.34
(e)	Rent	339.33	345.49
(f)	Rates & Taxes	703.20	2,132.73
(g)	Bad Debts Written off	1,756.97	4,134.31
(h)	Other Administrative Expenses	443.97	909.64
Audit Fees:			
(a)	Statutory Audit Fee	22.00	22.00
(b)	Tax Audit Fee	3.00	3.00
Total		3,860.85	8,208.64

OTHER NOTES ON ACCOUNTS:

2.26 Contingent Liabilities not provided for:

Rs. in Lakhs

S.No	Particulars	As at 31.03.2016	As at 31.03.2015
1	Bank Guarantees/Letter of Credit issued by the banks on behalf of the Company.	52,882.67	59,552.92
2	Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	36,000.00	81,387.00
3	Disputed Sales Tax (on appeal)	5,795.52	5,795.52
4	Income Tax demand contested in appeal	8,760.42	8,701.82

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

S.No	Investee Company	No of Shares pledged	
		2015-16	2014-15
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

2.28 Remuneration to auditors:

Rs. in Lakhs

S.No	Particulars	2015-16	2014-15
1	Statutory Audit Fee	22.00	22.00
2	Tax Audit Fee	3.00	3.00

2.29 Segmental Reporting:

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

2.30 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, 2016 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2016 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.

2.31 In accordance with Accounting Standard 11(revised) the net exchange gain/(Loss) credited to profit & loss account is Rs.155.06Lakhs (previous year net exchange loss debited Rs.166.03Lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs. Nil (previous year: Rs. Nil).

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

Rs. in Lakhs

	2015-16	2014-15
Foreign Exchange Earnings & Out go :		
I. Advance against Sale of Equity Shares	-	3,657.65
II. Foreign Exchange Out Go :		
1. Towards Traveling	10.17	9.39
2. Towards Import of Capital Goods (CIF)	Nil	Nil
3. Towards payment to Materials	29.75	Nil
On Account of Others :		
4. For Creditors	97.38	2,386.54
5. Interest	17.17	16.44
6. Loan Repayment	8.84	325.43
7. Others	Nil	3.26

2.33 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

28. Madhucon Sino-Hydro JV

F. Key Management Personnel:

- | | |
|--------------------------|---------------------|
| 29. Sri Nama Seethaiah | Managing Director |
| 30. Sri K. Srinivasa Rao | Whole-time Director |
| 31. Sri Md Shafi | Director |

G. Relatives:

32. Sri Nama Krishnaiah
33. Sri Nama Nageswara Rao
34. Sri Nama Rama Rao

(II) Related Party Transactions during the year ended 31st March, 2016 are as follows: Rs. in Lakhs

Particulars of Transactions	Subsidiaries	Associates	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	-	-	42,581.27	1,879.68	-	-
Rent Paid	-	-	-	-	58.37	-
Remuneration	-	-	-	-	110.00	-
Investments	-	-	-	-	-	-
Sale of Investments	3,389.63	1,482.61	516.21	-	-	-
Corporate Guarantees	31,000.00	-	50,387.00	-	-	-
Bank Guarantees	-	-	16,030.00	-	-	-
Loans/Advances Given	24,099.21	-	-	-	-	43.59
Loans/Advances Received	8,454.09	0.71	7762.24	-	365.57	20.23
Trade Receivables	621.59	-	22,683.19	-	-	-
Year end balances in Current Assets	72,205.13	641.42	24,008.67	1,552.01	-	4,410.35
Year end balances in Current liabilities	-	402.27	34,151.03	-	2,060.29	1,677.01

(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 2015-16

Particulars of Transactions	Rs. in Lakhs
Sales/Contract Receipts:	
Simhapuri Energy Limited	13,608.54
Chhapra Hajipur Expressways Limited	1,297.03
Barasat Krishnanagar Express ways limited	10,341.36
Ranchi Expressways Limited	17,334.34
Madhucon Syno Hydro JV	1,879.68
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:	
PT Madhucon Sriwijaya Power (Sale of Equity Shares)	3,389.63
PT Mahducon Indonesia(Sale of Equity Shares)	516.21
Madhucon Sugars & Power Industries Limited	1,477.61
Corporate Guarantees:	
Madhucon Heights Private Limited	11,000.00
Madhucon Infra Limited	20,000.00
Simhapuri Energy Limited	5,000.00
Chhapra-Hajipur Expressways Ltd	8,500.00
Ranchi Expressways Ltd	21,555.00
Barasat Krishnagar Expressways Ltd	15,332.00
Bank Guarantees:	
Barasat Krishnagar Expressways Limited	4,335.00
Rajauli - Bhaktiyarpur Expressways Limited	4,300.00
Ranchi Expressways Limited	7,395.00



Loans/Advances Given/(Received):	
Madhucon Infra Limited	24,039.95
Simhapuri Energy Ltd	(7,488.92)
Madhucon Heights Pvt Limited	(7,011.65)
Nama Hotels Pvt Limited	(1,442.44)

2.34 Earnings per Share:

S.No	Particulars	As at 31.03.2016	As at 31.03.2015
A	Profit computation for basic earnings Net Profit as per Profit & Loss Account Available for equity shareholders. (Rs. Lakhs)	2,533.98	4,934.04
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)	3.43	6.69

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:30-05-2016

K. Venkateswarlu
General Manager
Finance & Accounts

Asfia Moin
I/C Company Secretary
ACS-37280

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF MADHUCON PROJECTS LIMITED

Report on the 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 March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

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 financial position, consolidated financial performance and consolidated cash flows of the Group and its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, and of its associates and jointly controlled entities are responsible for the design, implementation and maintenance of internal controls 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 with the provisions of the Act, the respective Board of Directors of the Company and its subsidiaries, associates and jointly controlled entities, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' 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 there under. 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 the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 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 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 consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by 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

Due to termination of the project of 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 by BKEL. Cost incurred on the project up-to 31st March, 2016 Rs.53034.49 lakhs instead of writing-off, has been accounted as NHAI Claims receivable under the

head "Other Current Assets" which is in contravention of the provision of Accounting Standard 29 (Provisions, Contingent Liabilities and Contingent Assets), claims being contingent asset in nature. This has resulted in over-statement of Current Assets by Rs.53034.49 lakhs and understatement of loss by the same amount.

As the project of the Rajauli-Bhaktiyarpur Expressways Limited (RBEL), which is a subsidiary to the Company has been terminated, cost incurred on the project up-to 31st March, 2016 Rs. 816.44 lakhs instead of writing-off, has been accounted as Claims receivable under the head "Other Current Assets" which is in contravention of the provision of Accounting Standard 29 (Provisions, Contingent Liabilities and Contingent Assets) claims being contingent asset in nature. This has resulted in over statement of Current Assets by Rs.816.44 Lakhs and understatement of loss by the same amount.

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 the financial statements of the subsidiaries and associates as noted below, except for the possible effects of the matters described in the above two 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 the affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, their consolidated profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the accompanying consolidated financial statements for the year ended March 31, 2016:

- a. Note No. 2.37(a) to the consolidated financial statements, with regard to Madhucon Mega Mall Private Limited (MMMPL), a subsidiary company; "Due to unavoidable circumstances, the construction of Shopping Mall cum Multiplex project could not be completed within the time by MMMPL. Hence the APHB issued letter bearing No.105/Madhucon/AE/PC/2005, dated 16th December 2013 for revoking the Power of Attorney and Resumption of land to the extent of 5.32 Acres, aggrieved by the above said letter MMMPL filed arbitration petition under sec.9 of Arbitration and cancellation Act, 1996 before the Honorable XI A C J Court, CCC, Hyderabad seeking injunction against the APHB and after elaborate arguments, the Honorable court was pleased to pass the Status quo order against the APHB and the same is pending. Further, based on the internal assessment and a legal opinion, the management is confident that it will succeed the above case.
- b. Note No. 2.37(b) to the consolidated financial statements, with regard to Barasat - Krishnagar Expressways Limited (BKEL), a subsidiary company; "NHAI has not given possession of the land as per the Concession Agreement even after one year of financial closure. NHAI could not provide land to the Concessionaire as per the Agreement even after the schedule completion date, which is February, 2015. Subsequently, the Company had issued notice for termination of the project 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. In view of the above, going concern assumption is not appropriate and therefore financial statements of BKEL have been drawn accordingly."
EPC work executed upto 31st March 2016 as per books of account is Rs.34806.74 lakhs whereas the work executed as certified by Lender's Independent engineer upto 31st March, 2016 is Rs.23025.10, so there is a difference of Rs.11781.64 lakhs.
- c. Note No. 2.37(c) to the consolidated financial statements, with regard to "Rajauli - Bhaktiyarpur Expressways Limited (RBEL), a subsidiary company that Project of RBEL has been terminated, therefore, going concern assumption is not appropriate and financial statements have been drawn accordingly.
- d. Note No. 2.37(d) to the consolidated financial statements, with regard to "Vijayawada – Machilipatnam Expressways Limited (VMEL), a subsidiary company "As per the Agreement, NHAI has to provide 80% of land within six months of Agreement. They have failed to do so, because of which, we have submitted our claims. Reacting to that, NHAI had terminated the Concession Agreement vide letter no: NHAI/BOT-I/11019/102/2007/63 dated: 29th October 2013 though NHAI failed to issue

ROW and further confirmed it vide its letter no. NHA/BOT-I/1109/102/2007/403 dated 27th August, 2014. VMEL preferred a claim on NHA for an amount of Rs.11859.70lakhs towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges, and consultant's fee etc. on this project by the VMEL and EPC Contractor".

Expenses incurred on the project have been charged off to the Statement of Profit and Loss. VMEL is not confident of discharge its liabilities in the normal course of business from the available funds. Auditors of VMEL expressed an opinion that the facts indicate the existence of a material uncertainty that cast significant doubt about VMEL's ability to continue as a going concern.

- e. Note No. 2.37(e) to the consolidated 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 significant influence and 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, 2016 with respect to Nama Investments Limited and NNR Investments Limited are Rs.3886.45 Lakhs and Rs.473.34 Lakhs respectively.

Other Matters

- a. We did not audit the financial statements and other financial information of ten subsidiaries included in the consolidated financial results, whose financial statements together comprise total assets of Rs.641153.15 lakhs as at March 31, 2016, total revenue of Rs.24653.93 lakhs and total loss of Rs.12345.20 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the afore said subsidiaries is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.
- b. In respect of the financial information pertaining to one associate considered in the consolidated financial results, whose financial statements reflect the Group's share of loss amounting Rs. 1703.99 lakhs for the year then ended on March 31, 2016 are based on the unaudited financial statements prepared by the management. These unaudited financial statements are approved by the respective Board of Directors of that company have been furnished to us by the management and our report in so far as it related to the amounts included in respect of the associates is based solely on such unaudited financial statements.

Report on Other Legal and Regulatory Requirements

As required by the section 143(3) of the Act, and based on the auditor's report of the subsidiaries, we report that:

- (a) we have sought and obtained all the information and explanations which to the best 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 and the reports of the other auditors;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- (e) on the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company and of the other statutory auditors of its subsidiary companies, none of the



Directors of the Group companies and associate companies is disqualified as on 31st March, 2016 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'; and
- (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, in our opinion and to the best of our information and according to the explanation given to us:
 - i. the Company has disclosed the impact of pending litigations if any on its consolidated financial position in its consolidated 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 including derivative contracts; and
 - 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.

For Kota & Company

Chartered Accountants

Firm's Registration Number: 011982S

K. S. R. K. Prasad

Partner

Membership Number: 022964

Place: Hyderabad

Date : 30.05.2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Madhucon Projects Limited ('the Company') and its subsidiaries and its associates as at and for the year ended 31st March 2016, 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 of that date.

Managements's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies and its 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 ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial reporting ('the Guidance Note') and the Standards on Auditing, 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to be obtain reasonable assurance about whether adequate internal financial controls over financial reporting we established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 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 disposition 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of the 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 procedure may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven 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 establishing its internal financial control over financial reporting.

For Kota & Company

Chartered Accountants

Firm's Registration Number: 011982S

K.S.R.K.Prasad

Partner

Membership Number: 022964

Place: Hyderabad

Date : 30.05.2016

Consolidated Balance Sheet As At 31st March, 2016

Rs. in Lakhs

	Note	As at 31st March 2016	As at 31st March 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	740.32	740.32
(b) Reserves and Surplus	2.2	(13,569.86)	(32,236.70)
		(12,829.54)	(31,496.38)
(2) Minority Interest		18,440.95	18,393.55
(3) Non-Current liabilities			
(a) Long term Borrowings	2.3	458,647.11	510,334.69
(b) Deferred Tax Liabilities(Net)	2.4	-	2,138.34
(c) Other Long term liabilities	2.5	44,256.67	46,422.66
(d) Long term Provisions	2.6	13,562.67	12,769.60
		516,466.45	571,665.29
(4) Current Liabilities			
(a) Short term Borrowings	2.7	116,976.65	66,533.81
(b) Trade Payables	2.8	75,064.00	28,468.67
(c) Other Current liabilities	2.9	118,352.55	129,861.28
(d) Short-term Provisions	2.10	26,789.40	37,109.09
		337,182.60	261,972.85
Total Liabilities		859,260.45	820,535.31
II ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		360,154.15	374,764.97
(ii) Intangible Assets		144,019.69	182,774.14
(iii) Capital Work-in-Progress		15,079.51	17,689.96
(iv) Intangible Assets under Development		148,637.77	144,619.15
		667,891.12	719,848.22
(b) Non Current Investments	2.12	51.00	1,221.55
(c) Long term Loans and Advances	2.13	21,843.10	11,732.49
(d) Other Non-Current Assets	2.14	25,646.51	29,514.95
		47,540.61	42,468.99
(2) Current Assets			
(a) Current Investments	2.15	-	48.06
(b) Inventories	2.16	11,958.72	12,461.19
(c) Trade Receivables	2.17	33,106.21	14,664.55
(d) Cash and Bank Balances	2.18	15,122.65	8,084.03
(e) Short-term Loans and Advances	2.19	4,825.44	4,812.69
(f) Other Current Assets	2.20	78,815.70	18,147.58
		143,828.72	58,218.10
Total Assets		859,260.45	820,535.31

Significant Accounting Policies and Notes

1&2

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 : 30.05.2016

K. Venkateswarlu

General Manager
Finance & Accounts

Asfia Moin

I/C Company Secretary
ACS-37280



Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Rs. in Lakhs

	Note	Year Ended 31st March 2016	Year Ended 31st March 2015
REVENUE			
Revenue from Operations	2.21	233,545.54	203,805.99
Other Income	2.22	8,872.99	3,804.89
Total Revenue		242,418.53	207,610.88
EXPENSES			
Cost of Materials & Work Expenses	2.23	113,826.07	108,192.83
Change in Stock & Work-In-Progress	2.24	(1,532.56)	2,778.88
Employee Benefits Expense	2.25	4,047.63	3,939.38
Finance Costs	2.26	58,547.92	51,534.63
Depreciation and Amortization Expense	2.11	24,148.36	19,843.05
Other Expenses	2.27	31,631.50	23,430.82
Total Expenses		230,668.92	209,719.59
Profit Before Prior Period ,Exceptional Items and Tax		11,749.61	(2,108.71)
Prior Period Items		-	-
Exceptional Items		-	10,914.95
Profit Before Tax		11,749.61	8,806.25
Less:Tax expenses:			
(1) Current Tax		5,001.13	6,099.34
(2) Deferred Tax		-	2,138.34
Profit/(Loss) After Tax Before Minority Interest		6,748.48	568.57
Less:Share of Loss Transferred to Minority Interest		349.41	960.46
Profit/(Loss) After Tax, After Minority Interest		6,399.07	(391.89)
Share of Profit/(Loss) from Associated Companies		(0.20)	37.67
Consolidated Profit /(Loss) for the Year		6,398.87	(354.22)
Earning per of Face Value of Rs.1/- Each Basic and Diluted		8.67	(0.48)

Significant Accounting Policies and Notes on
Accounts

1&2

Accompanying notes form an integral part of the financial statements

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 : 30.05.2016

K. Venkateswarlu

General Manager

Finance & Accounts

Asfia Moin

I/C Company Secretary

ACS-37280

Consolidated Cash Flow Statement for the Year Ended 31st March, 2016

Rs. In Lakhs

	Year Ended 31st March 2016	Year Ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	11,749.61	8,806.25
Add: Depreciation	24,148.36	19,843.05
Interest	58,547.92	50,321.69
Less: Interest Income	479.55	1,505.99
Operating profit before working capital changes	93,966.34	77,465.00
Adjustments for:		
Long term Loans and Advances	(10,110.61)	(6,012.62)
Other Non-Current Assets	3,868.44	(500.21)
Inventories	502.47	(394.40)
Trade Receivables	(18,441.66)	2,759.75
Short-term Loans and Advances	(12.75)	(4,656.94)
Other Current Assets	(60,668.13)	29,459.26
Other Long term liabilities	(1,372.91)	(6,467.66)
Trade Payables	46,595.33	2,745.44
Other Current liabilities	(18,940.30)	62,583.52
Cash generated from operations	35,386.23	156,981.14
Direct Taxes	(7,889.25)	(6,099.34)
Net Cash from Operating Activities	27,496.98	150,881.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets(net)	37,588.73	(137,427.10)
Investments	1,218.61	(692.03)
Interest Income	479.55	1,505.99
Net Cash used in Investing Activities	(B) 39,286.89	(136,613.14)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(58,547.92)	(50,321.68)
Long term Borrowings	(51,687.58)	11,321.20
Short term Borrowings	50,442.84	19,590.31
Minority Interest	47.40	2,099.82
Dividend Paid	-	(147.59)
Dividend Tax thereon	-	(28.13)
Net cash from Financing Activities	(C) (59,745.26)	(17,486.07)
Net Increase in Cash and Cash equivalents	7,038.62	(3,217.41)
Cash and cash equivalents as at 01/04/2015 (Opening Balance)	8,084.03	11,301.44
Cash and cash equivalents as at 31/03/2016 (Closing Balance)	15,122.65	8,084.03

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: 30.05.2016

K. Venkateswarlu
General Manager
Finance & Accounts

Asfia Moin
I/C Company Secretary
ACS-37280

Significant Accounting Policies and Notes on Accounts forming part of the Accounts as at 31st March, 2016

I SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation:

The consolidated financial statements relate to **Madhucon Projects Limited** ("the Company"), its subsidiary companies and jointly controlled entities ("the group"). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and unrealized profits or losses on intra group transactions as per Accounting Standard (AS) 21- "Consolidated Financial Statements" notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.
- b) Interest in jointly controlled entities have been consolidated by using the 'Proportionate Consolidation' method as per Accounting Standard (AS) 27 –Financial Reporting of Interest in Joint Ventures' notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.
- c) In case of Associates where the Company directly or indirectly through its subsidiaries hold more than 20% equity, Investments in associates are accounted under the equity method as per the Accounting Standard (AS) 23- "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the 2014.
- d) The Financial Statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the company i.e., March31, 2016 except one subsidiary company, as the difference in reporting date is less than 6 months, adjustments were made for the effects of significant transactions or other events that occur between the Balance Sheet date of that subsidiary and the date of the Parents Financial Statements.
- e) The excess of cost to the Company, of its investment in subsidiaries and the jointly controlled entities over the Company's share of equity is recognized in the financial statements as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated Balance Sheet separately from current liabilities and equity of the Company.

Minority interest in the net assets of consolidated subsidiaries consists of:

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
- ii) The minorities share movements in the equity since the date the parent subsidiary relationship came into existence.
- h) Minority interest in the profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- i) Intra-group balances and intra group transactions and resulting unrealized profits/loss has been eliminated.
- j) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year.

- k) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for the like transactions and the other events similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
2. Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard (AS) 13- 'Accounting for Investments' notified by the under section 133 of the Companies Act 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act.

3. Other Significant Accounting Policies

- a) The consolidated Accounts have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- b) Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

c) Inventories:

- i. The stock of stores and embedded goods and fuel is valued at cost (weighted average basis) or net realizable value whichever is lower.
- ii. Work-in-progress is valued on the basis of the actual expenditure incurred in the case of all incomplete contracts.

d) Fixed Assets:

(i) Tangible Assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes purchase price, non refundable taxes, duties, freight and other incidental expenses related to the acquisition or installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

(ii) Intangible Assets

- a) Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" specified in the Companies (Accounting Standards) Rule, 2006.
- b) Carriageways representing Toll Collection Rights that are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build Operate and Transfer (BOT) basis. The construction cost and other operating cost incurred during the construction phase are recognized as Intangible Asset Under Development. Upon completion of the project under development, the cumulative cost of the Intangible Assets under development is capitalized as carriageway representing toll collection right under Intangible Assets.

e) Depreciation:

Depreciation is provided for in the accounts on Straight-Line method in accordance with the Schedule II of the Companies Act, 2013 or 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.

f) Impairment of Assets:

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

g) Investments:

Long term investments are carried at cost. However, wherever necessary provision for diminution in value of investment is made to recognize in decline other than temporary in the value of the investments.

h) Retirement Benefits:

- (i) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) Other retirement benefits such as Gratuity, Leave Encashment, etc. are recognized on Actuarial Valuation basis.

i) Revenue Recognition:

(i) Interest:

Revenue is recognized on a time proportionate basis taking into account

The amount outstanding and the rate applicable.

(ii) Contract Income:

Revenue from Construction Contracts are recognized by reference to the Percentage of Completion of the Contract Activity. The Stage of completion is determined by survey of Work

performed and/or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the Contractee. Future expected loss, if any, is recognized as expenditure.

Contract revenue for the work done is taken on actual billing basis. The work completed, which was not billed, is treated as Work-in-Progress and is valued on the basis of actual expenditure incurred as per the books of Account. In respect of escalation and other claims, revenue is recognized on receipt basis.

(iii) Other Income:

- (a) Fee collections from users of facilities are accounted as far as and when the amount is due and recovery of which is certain. Revenue from sale of smart cards is accounted as far as and when smart cards are sold.
- (b) Other revenues are recognized as per AS-9 when there is no significant uncertainty as to the measurability/collectivity exists.

j) Income Tax:

Tax expense comprises both current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

k) Grants

Equity support received from National Highway Authority of India for meeting capital cost of the project is treated as Capital Reserve.

l) Borrowing Costs:

Borrowing costs that are attributable to the acquisition and construction of qualifying asset are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of the time to get ready for its intended use.

j) Foreign Currency Translation:

- (i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction. Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account except in cases. Where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- (ii) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those relating to liability for acquiring fixed assets from outside India which are capitalized and those arising from investments in non-integral operations.

k) Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using a Substantial degree of estimation if:

- a) The company has a present obligation as a result of past event.
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of obligation can be reliably estimated.

Contingent liability is disclosed in the case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation unless the probability of outflow of resources is remote. Contingent Assets are neither recognized nor disclosed. Provisions, Contingent liabilities and Contingent assets are reviewed at each Balance sheet date.

2.0 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Share Capital

Rs. in Lakhs

	As at 31 March 2016	As at 31 March 2015
a) Authorized Share Capital		
30,00,00,000 Equity Shares of Re.1/- each	3,000.00	3,000.00
20,00,000 Redeemable Preference Shares of Rs.100/- each	2,000.00	2,000.00
Total	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
c) Fully Paid up Capital		
7,37,94,940 Equity shares of Re.1/- each	737.95	737.95
Add: Forfeited Shares Amount originally paid up	2.37	2.37
Total	740.32	740.32

Terms/ Rights attached to Shares:- The Company has only one class of paid-up equity share 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.

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

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

2.2 Reserves and Surplus

	As at 31 March 2016		As at 31 March 2015	
(a) Securities Premium Account		29,313.07		29,313.07
(b) General Reserve				
Opening Balance	4,632.96		4,139.56	
(+) Additions during the year	253.39		493.41	
Closing Balance		4,886.35		4,632.97
(c) Surplus				
Opening Balance	(74,929.30)		(72,832.84)	
Net profit for the current year	6,398.87		(354.22)	
Fixed Assets Written off as per companies act 2013	-		(898.30)	
Proposed Dividends	-		(147.59)	
Dividend Distribution Tax	-		(28.13)	
Transfer to reserve	(253.39)		(493.41)	
Foreign Currency Translation Reserve	401.50		(174.81)	
Closing Balance		(68,382.32)		(74,929.30)
(d) Reserves on Consolidation				
Capital Reserves		20,613.02		8,746.56
Grand Total		(13,569.86)		(32,236.70)

2.3 Long Term Borrowings

	As at 31 March 2016	As at 31 March 2015
(a) Unsecured Debenture	8,250.00	13,750.00
(b) Term Loans - Secured from Banks	429,626.20	449,134.17
- Unsecured Others	20,770.91	47,450.52
Total	458,647.11	510,334.69

Notes for Long Term Borrowings From Banks and Financial Institutions

(A) Unsecured Debentures: Rs. 22,000.00lakhs Non-convertible debentures of face value of Rs.10/- each with coupon rate of interest of 12.00% p.a payable quarterly, from the due date of first installment applicable rate of interest is IRR@15.5%. Third installment of Rs.2,750.00lakhs due on 1st February 2016 has not yet been paid by the Company, resulting in over due as on 31st March 2016. Amount of Rs.743.43lakhs was overdue towards interest repayments as on 31st March 2016.

(B) Madhucon Projects Ltd - Term Loans from Banks:

(i) United Bank Of India: Outstanding amount payable to UBI.

Terms from Financial Institutions:

(i) Srei Equipment Finance Limited : Secured by Subservient charge on movable fixed assets of the company worth Rs. 10800.00lakhs.

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

(iii) Magma Fincorp Limited: Secured by Hypothecation of specific assets purchased out of the loan amount.

No of Installments Pending w.r.t. Balance sheet date	Rate of Interest	Outstanding Rs. In lakhs	Repayment terms	Period of Maturity
SREI Equipment Finance Limited 34	SBR-2.97%	6,113.87	Monthly	Jan-18
Mahindra & Mahindra Financial Services Limited 17	11.52%	380.68	Monthly	Aug-16
Magma Fincorp Limited 0	11.85%	13.54	Monthly	Feb-15
Uninted Bank Of India 0	15.65%	206.16	One Time	Nov-13
	TOTAL	6,714.25		

Delay in repayment of principal and interest to banks and Financial Institutions as on 31-03-2016

Name Of The Bank / Financial Institution	Principal (Rs.in Lakhs)	Period of delay	Interest (Rs.in Lakhs)	Period of delay
State Bank of India - CC A/c	-	-	68.10	0 - 30 Days
Axis Bank Limited - CC A/c	-	-	51.69	0 - 31 Days
OBC - CC A/C	-	-	44.29	0 - 30 Days
ICICI - CC A/c -1	-	-	48.34	0 - 30 Days
ICICI - CC A/c -2	-	-	121.98	0 - 30 Days
Sub Total (i)	-	-	334.40	
Uninted Bank Of India	-	-	206.16	0-365 Days
Magma Fincorp Limited	-	-	13.54	121-365 Days
Srei Equipment Finance Limited	853.16	28-149 days	288.11	28-149 Days
Sub Total (ii)	853.16	-	507.81	-
Total (i+ii)	853.16		842.21	

Madhucon Heights Pvt Ltd: The loan Secured by the Exclusive charge on all the rights (including development rights), interest and title of the free sale area of the project including the structures of free sale area constructed/proposed to be constructed thereon, First charge on all the receivables inconnection with the commercial bulding at Kukatpally, Hyderabad and charge on the Designated Account open with Axis bank in connection with the aforesaid project.

The loan was sanctioned Rs.11,000.00lakhs on 16.02.2015 with rate of Interest of 11.35% p.a. payable at monthly intervals. The loan shall be repayable in 50 quarterly instalments commencing from 31st October, 2017 the first date of disbursement. The Corporate guarantee given by Madhucon Projects Ltd and Madhucon Land Developers Ltd and Collateral securities to the extent of value of Rs.8416.00lakhs 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.

Madhucon Infra Ltd - Term Loan from:				
Following are the terms and conditions of the borrowings for the year ended 31 March, 2016				
	Amount outstanding (Rs. in lakhs)			
Nature of facility	Current maturity	Long term maturity Secured	Rate of interest	No. of instalments
Tata capital Limited (Refer Note i)	1,316.87	769.22	15.00%	Twenty six equated quarterly instalments
Ramky Enviro Engineers Limited. (Refer Note ii)	502.29	NIL	15.00%	One installment.
Srei Infra Finance Pvt Ltd	1,086.00	NIL	13.00%	One installment.
ICICI bank (Refer Note iii)	2,500.00	NIL	13.75%	Six half yearly instalments
IFCI Limited (Refer Note vi)	8,250.00	825.00	IRR@15.5%	Eight half yearly instalments
Total	13,655.16	1,594.22		
Following are the terms and conditions of the borrowings for the year ended 31 March 2015:				
	Amount outstanding (Rs. In Lakhs)			
Nature of facility	Current maturity	Long-term maturity	Rate of interest	No. of instalments
Secured				
Tata capital Limited	1,124.56	1,538.46	15.00%	Twenty six equated quarterly instalments
Ramky Enviro Engineers Limited.	420.00	NIL	15.00%	One instalment.
ICICI bank			13.00%	
ICICI bank	5,000.00	NIL	13.75%	Six half yearly instalments
IFCI Limited	8,250.00	13,750.00	IRR@15.5%	Eight half yearly instalments
Total	14,794.56	15,288.46		

i) Term loan of Rs 5000.00lakhs should be paid in equal twenty six Quarter installment, which had commenced on 10thDecember 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 2016 is 15.00%. Amount of Rs.547.64lakhs overdue towards principal repayments.

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.2,500.00lakhs.

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

ii) Term loan of Rs.2500.00lakhs received from Ramky Enviro Engineers Limited on 31-12-2014 for tenure period of 45 days, at interest rate of 15% payable on monthly basis, out of which Rs.1997.00lakhs. has been repaid on 30-03-2015, resulting in over due as on 31st March 2016 for balance amount of Rs.503.00lakhs. Amount of Rs.68.37lakhs was overdue towards interest repayments as on 31st March 2016.

iii) Term loan of Rs 15000.00lakhs should be paid in equal six half Yearly installment, which had commenced on 3rd March 2013. An installment of Rs.2500.00lakhs due on 3rd Sep 2015 has not yet been paid by the Company, resulting in over due as on 31st March 2016. Further, as on 31st March 2016, there was an over due in payment of interest amounting to Rs.269.31lakhs.

Simhapuri Energy Ltd

Interest & Principal amounts delays as at 31.03.2016 :

Particulars	Period of default (in days)	Amount of default (in Lakhs)	As at Balance Sheet Date (in Lakhs)
REPAYMENT OF TERM-LOAN			
- From Banks	54	59.5-437.75	2397.23
- From Others	69	42.96	362.04
	38	43.35-115.27	
	9	43.75-116.71	
INTEREST ON TERM-LOAN			
- From Banks	83	77.93	4366.20
	66	20.60-169.20	
	59	4.34-175.37	
	49	124.39	
	35	20.57-168.93	
	30	4.07-282.01	
- From Others	69	15.63	314.14
	59	104.92	
	38	15.23-34.37	
	30	96.24926	
	9	14.84-32.92	

Phase I - (Loan Amount of Rs.1,12,240 Lakhs) Terms of Repayment:

a. Repayable in 48 structured quarterly instalments to banks and 43 quarterly installments to LIC. Balance installments are 36 with respect to Balance Sheet date (31.03.2016).



- b. Interest on Term loans is on floating basis i.e. Base rate of Canara bank (Leader Bank) + 2.25% p.a.
c. Prevailing Interest is as on 31.03..2016 is 12.45% p.a.
d. The last installment date is 6th February, 2024.

Repayment schedule for the year 2016-17

Repayment schedule for the year 2016-17											Rs.in Lakhs		
BANKS	ALB	AB	CB	CBI	CORP	IB	IOB	OBC	PSB	SBI	SBOP	TMB	
UCO	UBI	VB	LIC										
EMI-Qtly.	157.5	157.5	463.5	157.5	78.75	78.75	78.75	157.5	157.5	311.4	78.75	63.00	78.75
	157.5	78.575	282.00										

Amount Repayable for the year 2016-17 - 10,148.90lakhs.

Phase I - Terms of Security:

- a) A first mortgage and charge on pari pasu basis on all the company's immovable properties, both present and future pertaining to Phase-I.
b) A First charge by way of hypothecation on pari pasu basis of all the Company's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, both present and future.
c) A first charge on company's receivables, bank accounts, intangible assets on pari pasu basis and,
d) A first charge by way of assignment or otherwise creation of security interest on pari pasu basis In :
i. all the rights, title interest, benefits, claims and demands whatsoever of the Company in the Project Document.
ii. Under all the Government approvals;
iii. All the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee etc
iv. All insurance contracts
e) Pledge of equity shares held by the Promoters in their Shareholding Proportion aggregating to 51% of paid up and voting share Capital of the Company
f) A first charge on Borrower's all bank accounts including without limitation, the Trust & Retention account and Debt Service Reserve Account to be established by the Borrower and each of the accounts required to be established by the borrower under any Project Document and Contract.

Phase - II (Loan Amount of Rs.135241 Lakhs)

Terms of Repayment:

- a. Repayable in 45 structured quarterly instalments to banks. Balance installments are 42 with respect to Balance Sheet date (31.03.2016)
b. Interest on Term loans is on floating basis i.e. Base rate of State Bank of India (Leader Bank) + 3.50% p.a.
c. Prevailing Interest is as on 31.03.2016 is 13.50% p.a.

Repayment schedule for the year 2016-17

Repayment schedule for the year 2016-17													Rs.in Lakhs
BANKS	AB	ALB	BOI	CB	OBC	PSB	PNB	SBBJ	SBI	SBP	TMB	UBI	VB
EMI-Qtly.	156	156	156	172	156	156	156	148	546	148	77	312	69

Amount Repayable for the year 2016-17 - Rs.9632.00lakhs

Phase II - Additional Loan (Loan Amount of Rs.14800 Lakhs)

Terms of Repayment:

- a. Repayable in 45 structured quarterly instalments to banks. Balance installments are 42 with respect to Balance Sheet date (31.03.2016).
b. Prevailing Interest is as on 31.03.2016 is 13.50% p.a.

Repayment schedule for additional term-loan the year 2016-17

Repayment schedule for additional term-loan the year 2016-17										Rs.in Lakhs	
BANKS	ALB	BOI	CB	PNB	SBBJ	SBI	SBP	TMB	UBI	VB	ICICI
EMI-Qtly.	19.18	19.18	20.22	19.18	18.20	68.00	18.20	9.58	38.34	8.46	57.48

b. Amount Repayable for the year 2015-16 - Rs.1184.00lakhs

Phase II - Terms of Security :**Phase II - Terms of Security :**

- a) A mortgage and first charge over all the project assets (pertaining to Phase -II) (Including Phase - II land of 27.50 acres and additional land of 51.60 acres.
- b) A mortgage and first charge overall all the assets (including land) common to both Phase I & II both present and future. The Land where common facilities, for Phase I & II, would come up would be 425 acres.
- c) A first charge on all intangible assets of Phase - II of the Borrower including but not limited to the goodwill, undertaking and uncalled capital of the Borrower for Phase II.
- d) A first charge/assignment of all the receivables/revenues of the Borrower from the project i.e, Phase - II.
- e) A first charge on Borrower's all bank accounts (relating to Phase - II) including without limitation, the Trust & Retention Account and Debt Service Reserve Account to be established by the Borrower and each of the accounts required to be established by the borrower under any Project Document and Contract.
- f) A first charge/assignment of insurance policies in respect of Phase - II.
- g) A first pari passu charge/assignment/security interest in favor of Lenders on the borrower's rights under the project documents, contractors (including guarantees) and all licences, permits, approvals, consents and insurances policies obtained by the borrower in respect of the project i.e, Phase - II.
- h) Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter - party under any Project Agreement or contract in favor of the Borrower for Phase - II.
- i) Pledge of paid up equity shares aggregating to 51% of Paid-up and voting equity share capital of the Borrower belonging to / held by the promoters (On pari-passu basis with all lenders of SEL), and
- j) The entire primary and collateral security/guarantees/undertakings would be on pari-passu basis with other term lenders for the proposed project (Phase-II) except the land and assets which are common to both Phase-I & II, which would be on pari passu basis amongst the lenders of both Phase I and II.

ICICI Bank Term Loan (Loan Amount of Rs.7500.00 lakhs) - Un-Secured

Terms of Security - Phase II :

The facility, interest thereon and all other amounts in respect thereof shall be secured by

- a) A Subservient Charge on all movable Fixed Assets & Current Assets

Terms of Repayment.

Repayable in 40 Quarterly instalments. The interest will be paid out of project cash flows on monthly basis. The applicable Rate is 13.25% p.a. The Repayment shall be started from 4th Quarter of 2016-17 as per the List mentioned in Sanction Letter. Amount Repayable for the year 2016-17 - Rs.450.00lakhs.

SREI Equipment Finance Pvt. Ltd - 1 (Loan Amount of Rs.5000.00lakhs)

Terms of Repayment: a) Rate of Interest : 15%

- b) Repayable in 45 equal monthly installments starting from February, 2014. Balance installments are 30 with respect to Balance Sheet date (31.03.2016).

Terms of Security :

- a) Hypothecation Charge on exclusive assets financed.

SREI Equipment Finance Pvt. Ltd. - 2 (Loan Amount of Rs.2000.00 lakhs)**Terms of Repayment:**

- a) Rate of Interest : 11%
- b) Repayable in 43 equal monthly installments starting from April, 2015. Balance installments are 35 with respect to Balance Sheet date (31.03.2016).

Terms of Security :

- a) Hypothecation Charge on exclusive assets financed.

**SREI Equipment Finance Pvt. Ltd. - 3 (Loan Amount of Rs.6000.00lakhs)**

Terms of Repayment:

- a) Rate of Interest : 12%
- b) Repayable by bullet payment as on 03.12.2015

Terms of Security :

- a) Hypothecation Charge on exclusive assets financed.

IFCI (Loan Amount of Rs.10000.00lakhs)

Terms of Repayment:

- a) Rate of Interest : 11.90%
- b) Repayable in 66 equal quarterly installments starting from 31.03.2016.

Amount Repayable for the year 2016-17 -Rs.700.00lakhs.

Terms of Security :

- a) Presently a Subservient charge on the whole of Moveable fixed assets of the company both present and future -Fixed Charge and Subservient Charge on all current assets both present and future -Floating Charge.

Phase - I:

The working capital facilities of Rs.14200.00lakhs both Fund based and Non Fund based are secured by a pari passu First charge on Project Assets along with the Term Lenders including First Mortgage and charge on all the Company's immoveable Properties both present and future other than a) the Borrower's immoveable property admeasuring 27.50 acres in the industrial park at Thammanipatnam and Mummdi village, and 53.16 acres at Tamminapatanam Village, Chillakuru Mandal, SPS Nellore District, A.P. A first charge on all the moveable assets other than exclusively pertaining to Phase - II. A First charge on company's receivables, Stocks,TRA, DSRA,all intangibles of the company, assignment of all the rights of the company through project documents, licences,contracts of whatsoever in nature including Insurance contracts, pertaining to Phase-I of the project, in addition to Pledge of equity shares aggregating to 51% of paid up and voting share capital of the Co., on a pari passu basiswith Phase - II lenders.

Phase - II:

The working capital facilities of Rs. 32575.00 lakhs both Fund based and Non Fund based are secured by a First Mortgage charge over 80.66 acres of exclusive land on a pari passu basis with the Phase - II Lenders and a First Mortgage charge over 425 acres of common Land on a pari passu basis with Phase - I and Phase - II Lenders; Charge over movable assets; Assignment of all the receivables, Insurance Policies, company's rights under the project documents, contracts, licences,Contractor guarantees, LDs, LCs and / or Performance bonds provided by any counter party in favour of the company, in addition to Pledge of shares of the entire paid up equity shares of SEL on a pari passu basis with the Phase - I lenders.

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 13.05% as on 31st March, 2016. During the year the rate of interest has been charged ranging from 12.50% to 13.75%. 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.

Subsequent to year end, vide letter dated 30 April 2016, NHAI is in the process of extending the PCOD to 21 April 2017. Accordingly, the company is in the process of submitting a proposal to SBI for postponement of repayment schedule with 1st installment payable in December, 2017. The proposal is under active consideration.

The Company will draw the undrawn debt during the financial year 2016-17. Hence, the entire borrowings from secured lenders have been classified under 'Non-Current Liabilities'

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.

Barasat-Krishnanagar Expressways Ltd: Term Loans From SBH, Dena Bank, Andhra Bank, OBC, TMP, SBOP, SBBJ and IIFCL:**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 Oriental Bank of Commerce Base rate + 1.50% as on 31st March, 2016 except for SBBJ(SBBJ Base rate + 2% as on 31st March, 2016) and SBH(SBI Base rate + 2.25% as on 31st March, 2016). During the year the rate of interest has been charged between 11.20% to 11.50%. 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 20 semi-annual unequal installments starting from December, 2016. However, the company has submitted a proposal for postponement of COD to June 1, 2016 and postponement of repayment schedule with 1st installment payable in December, 2016 and the last installment payable in June, 2026 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.

Following are continuing default as on reporting date in payment of interest to the bank.

Nature of Payment		Rs.In Lakhs
Interest on Term loans-due on 31.01.2016	59 Days	475.01
Interest on Term loans-due on 28.02.2016	31 days	449.61
Grand Total		

Terms of Repayment of Unsecured Loans:

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 Ltd :-

Terms of Long Term Borrowings from Banks and Financial Institution were restructured during the year. One member from consortium lenders, namely ICICI bank has given its approval vide letter dated 31 st March 2016. Approval from other members is awaited.

Revised Terms of Repayment of Long Term Borrowings are as under:

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, 2016. Rate of interest shall be floating rate equivalent to base rate of CB plus interest spread of 1.5% 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 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, 2016 with NHAI and postponement of repayment of installments with bankers, the 1st Installment payable in March, 2017 and the last installment payable in March, 2028. 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.

Unsecured Loans:

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.

During the year the company has defaulted in repayment of Interest amounting to Rs. 1356.18lakhs ranging from one day to ninety days.

TN(DK) Expressways Ltd : Term Loans from SBH, SBI, Vijaya Bank, State Bank of Saurashtra, Bank of Maharashtra, Andhra Bank, State Bank Mysore and FITL SBH, SBI, Vijaya Bank, State Bank of Saurashtra, Bank of Maharashtra, Andhra Bank, State Bank Mysore:

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.23,229.00lakhs 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 lenders with interest reset happening on each reset date. The loan is repayable in 51 quarterly unequal Installments along with the interest ranging from Rs.21.64lakhs to Rs.3950.91lakhs 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.944.00lakhs 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.23.75lakhs to Rs.106.00lakhs 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.

Trichy - Thanjavur Expressways Ltd - 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:

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.23229.00lakhs 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 lenders with interest reset happening on each reset date. The loan is repayable in 51 quarterly unequal Installments along with the interest ranging from Rs.21.64lakhs to Rs.3950.91lakhs 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 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.23.75lakhs to Rs.106.00 commencing from June 2014 till March, 2018.

Term 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.5405.00lakhs and Sri Nama Seethaiah for Rs.6640.00lakhs.

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.

Madhurai - Tuticorin 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:

Indian Rupees Term Loans consists of Loans borrowed from a consortium of 5 bankers & one financial institution. The entire outstanding debt of Rs.55913.00lakhs re-structured as on 1st December 2012, will be paid in 52 unequal quarterly installments with bullet payment of Rs.10000.00lakhs to be paid in 31.03.2026. Installment ranging from 11.50 lakhs to 11458.00lakhs 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 240.00lakhs 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.5405.00lakhs and Sri Nama Seethaiah for Rs.6640.00lakhs

Terms of Repayment :

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.

2.4 Deferred Tax Liabilities (Net)

	As at 31 March 2016	As at 31 March 2015
Opening Balance	-	-
Add/Less:- For the Current Year	-	2,138.34
Total	-	2,138.34

2.5 Other Long Term Liabilities

	As at 31 March 2016	As at 31 March 2015
(1) Mobilisation Advances	4,837.85	7,599.15
(2) Other Liabilities	35,448.53	16,751.14
(3) Trade Payables	-	10,973.98
(4) Retention Money	3,970.29	11,098.39
Total	44,256.67	46,422.66

2.6 Long Term Provisions

	As at 31 March 2016	As at 31 March 2015
(1) Provision for Periodic Maintenance	13,410.09	12,746.75
(2) Provision for Gratuity & Leave Encashment	152.58	22.85
Total	13,562.67	12,769.60

2.7 Short Term Borrowings

	As at 31 March 2016	As at 31 March 2015
From Banks - Secured	116,976.65	66,533.81
Total	116,976.65	66,533.81

Note: CC Limits from Axis bank 13.25%, Bank of India 13.20%, IDBI Bank 14.75%, Kotak (ING Vysya) 14.55%, OBC 13.25%, SBI 14.85%, ICICI Bank 14.75% & 12.00%.

The company has availed the Working capital Cash credit facility from various banks under Multiple Banking Arrangement are secured by

i) Pari-Passu First charge by way of hypothecation of the company's inventory, work-in-progress and receivables, both present and future (other than project specific) with other working capital lenders.

ii) Pari-Passu second charge on all the unencumbered movable fixed assets of the company, both present and future with other working capital lenders

2.8 Trade Payables

	As at 31 March 2016	As at 31 March 2015
For Supplies	16,839.91	10,236.86
For Services	58,224.09	18,231.81
Total	75,064.00	28,468.67

2.9 Other Current Liabilities

	As at 31 March 2016	As at 31 March 2015
(a) Current maturities of Long Term debt	60,623.94	68,428.85
(b) Other Payables		
(1) Other Liabilities	52,494.81	57,582.03
(2) Mobilisation Advance	4,645.69	3,350.99
(3) Royalty Payables	588.11	499.41
Total	118,352.55	129,861.28

2.10 Short Term Provisions

	As at 31 March 2016	As at 31 March 2015
(1) Provision for Tax (Includes Dividend Distribution Tax)	3,732.74	6,694.66
(2) Provision for Employee Benefits	63.61	130.71
(3) Other Short term provisions	22,993.05	30,283.72
Total	26,789.40	37,109.09

2.11 Fixed Assets & Depreciation

		Gross Block					Depreciation				Net Block		Rs. In Lakhs
Sl. No.	Name of the Asset	As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	For the Year	Deletion	As at 31.03.2016	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
1	2	3	4	5	6 = (3+4-5)	7	8	9	10 = (7+8-9)	11 = (6-10)	12 = (3-7)		
1	Land	12,224.63	93.67	50.67	12,267.64	-	-	-	-	12,267.64	12,224.63		
2	Building	70,443.16	731.73	-	71,174.89	3,273.13	3,340.50	-	6,613.64	64,561.25	67,170.03		
3	Staff Quarters	10.57	-	-	10.57	2.29	-	-	2.29	8.28	8.28		
4	Veehicles	2,528.50	55.08	103.28	2,480.30	1,544.97	209.52	80.53	1,673.95	806.35	983.53		
5	Tipppers & Trucks	11,578.45	454.44	746.91	11,285.97	9,468.40	1,267.55	706.46	10,029.50	1,256.48	2,110.05		
6	Centering Materials	1,951.03	48.05	-	1,999.09	1,947.27	27.70	-	1,974.97	24.12	3.76		
7	Temporary Structures	3,103.17	31.68	-	3,134.86	2,401.52	30.84	-	2,432.37	702.49	701.65		
8	Furniture & Office Equipment	1,409.94	60.10	31.56	1,438.47	637.09	149.44	20.58	765.95	672.52	772.85		
9	Computers	591.81	72.52	18.60	645.73	320.10	73.48	12.96	380.62	265.11	271.71		
	Plant & Machinery	344,139.03	4,184.67	1,154.92	347,168.78	53,620.54	14,838.96	880.63	67,578.87	279,589.91	290,518.49		
	Total	447,980.29	5,731.94	2,105.94	451,606.29	73,215.31	19,937.99	1,701.16	91,452.14	360,154.16	374,764.97		
	Carriageway (Intangible Assets)	202,899.63	15.26	37,284.93	165,629.96	20,125.49	4,210.37	2,725.59	21,610.27	144,019.69	182,774.14		
	Capital Work in Progress	17,839.11	1,138.05	3,897.65	15,079.51	-	-	-	-	15,079.51	17,689.96		
	Intangible Assets Under Development	144,619.16	53,312.12	49,293.51	148,637.76	-	-	-	-	148,637.76	144,619.15		
	Total	813,338.18	60,197.38	92,582.02	780,953.52	93,340.80	24,148.36	4,426.76	113,062.41	667,891.12	719,848.22		

2.12 Non Current Investments

	No. of Shares Held	As at 31 March 2016	No. of Shares Held	As at 31 March 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	
Sub Total		1.44		1.44	
Equity Investment - Unquoted					
(1) Madhucon Natural Resources Limited Singapore (750 Ordinary Shares of S\$ 1 each)	750	0.02	750	0.21	
(2) Madhucon Sugar & Power Industries Limited (4811500 Equity shares of Rs.10/- each)			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	
(4) M B N Anchored Earth Limited (40000 Equity shares of Rs.10/- each)			40,000	6.30	
(5) Madhucon Properties Limited (20000 equity Shares of Rs.10/-each)	20,000	(4.30)	20,000	(4.10)	
(6) Ramnagar Power Private Limited (10000 equity Shares of Rs.10/-each)			10,000	(3.21)	
(7) Madhucon Agra-Jaipur Expressways Limited (100000 equity Shares of Rs.10/-each)	100,000	5.03	-	-	
Sub Total		49.56		1,220.11	
Total		51.00		1,221.55	
(1) Aggregate of Investments		As at 31st March 2016	As at 31st March 2015		
		Cost	Market Value	Cost	Market Value
Quoted Investments		1.44	7.79	1.44	14.56
Unquoted Investments		49.56	-	1220.12	-
Grand Total		51.00	7.79	1221.56	14.56

2.13 Long Term Loans and Advances

	As at 31 March 2016	As at 31 March 2015
(1) Nama Investments Limited	3886.45	3,899.35
(2) Other Loans & Advances	17433.21	7,337.39
(3) NNR Infra Investment (P) Limited	473.34	438.65
(4) Madhucon Infotech Limited	50.10	57.10
Total	21843.10	11,732.49

2.14 Other Non Current Assets

	As at 31 March 2016	As at 31 March 2015
(1) Other Non Current Assets	17,598.43	16,674.66
(2) Trade Receivables*	2,639.45	2,639.45
(3) Retention Money Deposits	2,221.99	7,158.57
(4) Mobilisation Advance	1,813.32	1,683.25
(5) Earnest Money Deposits	1,373.32	1,359.02
Total	25,646.51	29,514.95

* In respect of Trade Receivables amounting to Rs. 2639.45 Lakhs till their claim is accepted by NHAI.

2.15 Current Investments

	As at 31 March 2016	As at 31 March 2015
(1) Canara Robeco Treasury Advantage Fund (Super institutional daily dividend reinvestment fund)	-	17.65
(2) SBI Premier Fund (Super institutional daily dividend reinvestment fund)	-	11.92
(3) Canara Bank Mutual Funds	-	18.49
Total	-	48.06

2.16 Inventories

	As at 31 March 2016	As at 31 March 2015
(1) Closing Stock	10,867.99	12,180.18
(2) Closing Work-in-Progress	1,090.73	281.01
Total	11,958.72	12,461.19

2.17 Trade Receivables

	As at 31 March 2016	As at 31 March 2015
1) Trade receivable less than 6 months Unsecured, considered good	33,106.21	14,664.55
Total	33,106.21	14,664.55

2.18 Cash and Bank Balances

	As at 31 March 2016	As at 31 March 2015
Cash and Cash Equivalents:		
1) Cash on hand	376.24	131.47
2) Balances with banks :		
i) In Current Accounts	11,788.96	5,611.78
ii) Unpaid Dividend	9.68	10.62
iii) FDR with Banks	488.15	427.09
Total	12,286.79	6,049.49
3) Other Bank Balances:		
Margin Money Deposits	3,832.95	3,252.09
Less: Bank Deposits with more than 12 months maturity	1,373.33	1349.02
Total	2,459.62	1,903.07
Total	15,122.65	8,084.03

2.19 Short Term Loans and Advances

	As at 31 March 2016	As at 31 March 2015
(1) Other Advance	4,825.44	4,812.69
Total	4,825.44	4,812.69

2.20 Other Current Assets

	As at 31 March 2016	As at 31 March 2015
(1) Retention Money Deposits	4,930.18	1,404.57
(2) Mobilisation Advance	4,437.94	4,179.75
(3) TDS Receivables	1,042.85	2,452.69
(4) Other Current Assets	68,404.73	10,110.57
Total	78,815.70	18,147.58

2. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL

2.21 Revenue

Rs. in Lakhs

	Year ended 31st March 2016	Year ended 31st March 2015
From Operations:		
Power Generation	189,390.58	155,458.40
Civil Engineering Projects	31,739.38	28,945.15
Toll Plaza collection	12,415.58	19,402.44
Total	233,545.54	203,805.99

2.22 Other Income

	Year ended 31st March 2016	Year ended 31st March 2015
Other Non-operating Income	7,599.21	2,299.08
Profit on Sale of Fixed Assets	323.09	-
Foreign Exchange Gain	471.14	-
Interest Income	479.55	1,505.81
Total	8,872.99	3,804.89

2.23 A. Cost Of Materials Consumed

	Year ended 31st March 2016	Year ended 31st March 2015
Coal cost	85,356.12	74,387.61
Other Materials	13,304.44	6,509.33
General Stores	1,805.15	1,171.55
Total	100,465.71	82,068.49

B. Other Construction Expenses

	Year ended 31st March 2016	Year ended 31st March 2015
Road Work Expenses	2,189.00	13,639.08
Earth Work Expenses	6,461.64	3,038.99
Repairs & Maintenance	1,225.74	3,605.31
Other Works	21.72	2,111.93
Civil Works	3,462.26	3,729.03
Total	13,360.36	26,124.34
Total (A+B)	113,826.07	108,192.83

2.24 Changes In Stock & Work-In-Progress

	Year ended 31st March 2016	Year ended 31st March 2015
Opening Stock	424.71	953.90
Opening Work-in-Progress	281.01	2,941.44
Closing Stock	(1,147.55)	(835.45)
Closing Work-in-Progress	(1,090.73)	(281.01)
Total	(1,532.56)	2,778.88

2.25 Employee Benefit Expenses

	Year ended 31st March 2016	Year ended 31st March 2015
Salaries, Wages, Bonus and PF etc..	3,783.85	3,899.87
Workmen and Staff Welfare Expenses	263.78	39.51
Total	4,047.63	3,939.38

2.26 Finance Cost

	Year ended 31st March 2016	Year ended 31st March 2015
Interest Expenses	57,905.25	50,321.69
B.G Commision	642.67	1,212.94
Total	58,547.92	51,534.63

2.27 Other Expenses

	Year ended 31st March 2016	Year ended 31st March 2015
O & M Expenditure	17,565.65	15,908.66
Administrative Expenses	12,768.80	5,674.69
Rent, Rates & Taxes	1,042.53	979.41
Consultancy	190.49	360.61
Insurance Charges	64.03	507.45
Total	31,631.50	23,430.82

OTHER NOTES ON ACCOUNTS

2.28 Subsidiaries 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	MadhuraiTuticorin 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	7.36%	85.193%	-
10	Madhucon Agra Jaipur Expressways Limited	India	0.10%	-	25.87%
11	TN(DK) Expressways Limited	India	0.13%	50.97%	48.86%
12	Trichy-Thanjavur Expressways Limited	India	0.15%	51.05%	48.75%
13	Chhapra-Hajipur Expressways Limited	India	0.16%	54.23%	45.58%
14	Vijayawada-Machilipatnam Expressways Limited	India	1.78%	13.33%	80.44%
15	Rajauli Bakhtiyarpur Expressways Limited	India	4.8%	4.00%	83.20%
16	PT Madhucon Indonesia	Indonesia	4.86%	85.00%	-
17	Madhucon Properties Limited	India	33.33%	-	-

2.28.1(a)Contingent Liabilities not provided for:

Rs. in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Bank Guarantees/Letters of Credit issued by the banks on behalf of the Company.	69,243.77	73,068.06
Disputed Sales Tax (on appeal)	5,795.52	5,795.52
Income-tax demand contested in appeal.	8,760.42	8,701.82

(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.

2.29The long term unquoted investments in equity shares of subsidiary companies as given hereunder and included in Schedule V are pledged with Banks and Financial Institutions which have extended loan facilities to the respective investee companies.

S.No	Investee Company	No of Shares pledged As at 31.03.2016	No of Shares pledged As at 31.03.2015
1	Madurai Tuticorin Expressways Limited	13,98,20,500	8,85,61,500
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	69,09,39,137	69,53,32,071
5	Madhucon Toll Highways Limited	12,00,00,000	12,00,00,000
6	Madhucon Agra-Jaipur Expressways Limited	-	5,06,99,600
7	TN (DK) Expressways Limited	6,04,87,600	3,80,89,600
8	Trichy-Thanjavur Expressways Limited	3,30,00,000	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

2.30 Deferred Tax Liabilities:

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

Rs. in Lakhs

Particulars	31.03.2016	31.03.2015
Deferred Tax Liabilities on timing differences due to :	-	-
Depreciation	-	2,138.34
Total	-	2,138.34

2.31 Segment Reporting:

The details of primary segment information for the year ended March 31, 2016 and March 31, 2015 are given below:

- 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.
- The Group is currently focused on three business segments: Construction, Power and Toll Collection.
- 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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Revenue										
Total Turnover	74,488.52	113,739.38	189,403.89	155,477.89	16,475.94	32,042.77	52.96	48.71	280,421.31	301,308.75
Less: Inter Segment Turnover	46,862.47	87,438.17	-	-	-	10,064.59	-	-	46,862.47	97,502.76
External Turnover	27,626.05	26,301.21	189,403.89	155,477.89	16,475.94	21,978.18	52.96	48.71	233,558.84	203,805.99
Segment Result before Interest and Taxes	(315.66)	(4,072.10)	60,279.98	49,331.15	2,635.18	22,493.20	(1,161.84)	(301.33)	61,437.67	67,450.93
Less: Interest Expense	9031.10	3712.46	37,338.74	26,619.40	12,179.19	21,190.70	(1.11)	12.08	58,547.92	51,534.63
Add: Interest Income etc	8,063.28	2,756.69	445.53	242.93	316.93	799.12	34.12	6.14	8,859.87	3,804.89
Add: Exceptional Item	-	-	-	-	-	(10,914.95)	-	-	-	(10,914.95)
Profit Loss Before Tax	(1,283.47)	(5,027.87)	23,386.77	22,954.69	(9,227.07)	(8,813.33)	(1,126.61)	(307.26)	11,749.62	8,806.24
Current Tax	689.780		4,311.33		-				5,001.13	6,099.34
Deferred Tax									-	2,138.34
Profit After Tax Before Adjustment of Minority Interest	(1,973.27)	(5,027.87)	19,075.45	22,954.69	(9,227.07)	(8,813.33)	(1,126.61)	(307.26)	6,748.49	568.56
Less: Share of (Profit/Loss Transferred to Minority Interest)									349.41	960.46
Add: Share of (Profit/Loss From Associated Companies)									(0.20)	37.67
Profit After Tax (After Adjustment of Minority Interest)	(1,973.27)	(5,027.87)	19,075.45	22,954.69	(9,227.07)	(8,813.33)	(1,126.61)	(307.26)	6,398.89	(354.22)
Other Information										
Segment Assets									859,260.45	820,535.31
Segment Liabilities									872,089.99	852,031.69
Capital Expenditure									60,197.38	118,944.92
Depreciation/ Amortisation									24,148.36	19,843.05
Other Non Cash Expenses Other Than Depreciation and Amortisation									-	-

- 2.32 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
- 2.33** 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.567.29lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Nil (previous year Rs.Nil).
- 2.34** Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 (wherever applicable).

Rs. in Lakhs

Particulars	2015-16	2014-15
Foreign Exchange Earnings & Out go :		
I) Foreign Exchange Earning : Sale of Investments	-	3,657.65
II) Foreign Exchange Out Go :		
a) Towards Traveling	10.17	9.39
b) Towards Import of Capital Goods (CIF)	Nil	Nil
c) Towards payment/Advance to Materials	29.75	Nil
d) Raw Materials	47,503.06	52,357.42
III) On Account of Others :		
a) For Creditors	97.38	2,386.54
b) Investment	Nil	Nil
c) Interest	17.17	16.44
d) Loan Repayment	8.84	325.43
IV) Others	-	3.26

2.35 Related 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 March 31, 2016 are 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	
	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015	31 st March, 2016	31 st March, 2015
Services	-	-	-	-	-	-	-	-
Sales/Contract Receipts	-	-	-	-	-	-	-	-
Purchases/Contract Payments	-	-	-	-	-	-	-	-
ShareCapital/Share Application Money	-	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	120.47	294.60	-	-
Remuneration	-	-	-	-	170.00	128.67	-	-
Investments	-	-	-	-	-	-	-	-
Sale of Investments to Subsidiaries	-	-	-	-	-	-	-	-
Corporate Guarantees	-	-	-	-	-	-	-	-
Bank Guarantees	-	-	-	-	-	-	-	-
Loans/Advances Given	-	10.00	-	-	-	-	43.59	-
Loans/Advances Received	0.71	128.33	-	-	365.57	-	1,071.20	-
Year end balances in Current Assets	641.42	6.35	1,552.01	2,015.71	-	-	4,410.35	4,397.69
Year end balances in Current Liabilities	402.27	579.09	-	-	2,060.29	2,071.48	7,394.52	881.23

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 2015-16**Rs. In Lakhs**

Particulars of Transactions	31.03.2016	31.03.2015
Sales/Contract Receipts		
Madhucon Sino Hydro	1,879.68	3,535.45
Rent Paid:		
Sri. Nama Seethaiah	58.37	59.55
Sri. Nama NageswaraRao	62.10	64.05
Remuneration:		
Sri Nama Seethaiah	60.00	60.00
Sri K. SrinivasaRao	30.00	30.00
Sri N. Krishnaiah	60.00	38.67
Sri Md Shafi	20.00	-

2.36 Earning Per Share:

Sl. No.	Particulars	2015-16	2014-15
1	Profit computation for basic earnings Net Profit as per Profit & Loss Accounts available for equity share holder (Rs in Lakhs)	6,398.87	(354.22)
2	Weighted average number of equity shares of Re. If- each for Basic EPS (Nos)	7,37,94,940	7,37,94,940
3	EPS (weighted average) (Rs.)	8.67	(0.48)

2.37 (a) Madhucon Mega Mall Private Limited (MMMPL), a subsidiary company; "Due to unavoidable circumstances, the construction of Shopping Mall cum Multiplex project could not be completed within the time by MMMPL. Hence the APHB issued letter bearing No.105/Madhucon/AE/PC/2005, dated 16th December 2013 for revoking the Power of Attorney and Resumption of land to the extent of 5.32 Acres, aggrieved by the above said letter MMMPL filed arbitration petition under sec.9 of Arbitration and cancellation Act, 1996 before the Honorable XI A C J Court, CCC, Hyderabad seeking injunction against the APHB and after elaborate arguments, the Honorable court was pleased to pass the Status quo order against the APHB and the same is pending. Further, based on the Internal assessment and a legal opinion, the management is confident that it will succeed the above case.

(b) Barasat - Krishnagar Expressways Limited a step down subsidiary was incorporated under the Companies Act, 1956, NHAI has not given possession of the land as per the Concession Agreement even after one year of Financial closure. NHAI could not provide land to the Concessionaire as per the Agreement even after the scheduled completion date, which is February, 2015. Subsequently the Company has issued notice for termination of the project to NHAI on 31st December, 2015. The company and NHAI entered into a Supplementary Agreement to the 'Concession Agreement dated 20th June, 2011' on 2nd May, 2016 for inclusion of the clause of 'Society for Affordable Redressal of Disputes' (SAROD) Committee for arbitration. NHAI has also issued notice for termination of the project vide its letter dated 3rd May, 2016 and has also seized all the project assets vide letter dated 13th May, 2016. Now the matter is before the arbitrator panel. In view of the above, going concern assumption is not appropriate and financial statements have been drawn accordingly.

(c) Rajaul-Bakhtiyarpur Expressways Limited a step down subsidiary was Incorporated under the companies Act, 1956, on 7th July, 2015, Bihar State Road Development Corporation (BSRDC) issued intention to terminate the project. The Company had approached BSRDC once again for mutual closure of the project since BSRDC did not fulfill their obligation under article 4 of condition precedent by not achieving forest clearance and not acquiring the required land even after more than 3 years and also the Company could not complete the financial closure due to market conditions to commence the works. BSRDC had issued a letter bearing No.BSRDC/980/2012-532 dated 02.03.2016 informing pre-closure of the project and had been referred to the Cabinet for their approval. The same is still in process. In view of the above circumstances, the project was withdrawn. The company is not confident of discharge its liabilities in the normal course of business from the available funds, so that going concern assumption is not appropriate and financial statements are prepared accordingly.

(d) Vijayawada-Machilipatnam Expressways Limited a step down subsidiary was incorporated under the Companies Act, 1956, on 28th Day of November, 2011 as a Special Purpose Vehicle for Design, Build, Finance, Operate and Transfer of 4-laning of Vijayawada-Machilipatnam Section of NH-9 from Km. 0.000 to Km. 63.800 in the state of Andhra Pradesh under NHDP Phase III on Toll basis and to carry on the business of O&M (operation & Maintenance) contracts relating to the road works during the concession period of 20 years and to continue for such other extension period. This contract was awarded by National Highway Authority of India. The Company shall hand over the Project Highway to NHAI on expiry of the Concession Period.

As per the Agreement, NHAI has to provide 80% of land within six months of the Agreement. They have failed to do so, because of which, we have submitted our claims. Reacting to that, NHAI has terminated the Concession Agreement vide letter no : NHAI /BOT-I/11019/102/2007/63 dated : 29th October 2013 though NHAI failed to issue ROW and further confirmed it vide its letter no. NHAI/BOT-I/11019/102/2007/403 dated 27th August, 2014. Company has preferred a claim on NHAI for an amount of Rs.11859.70lakhs towards expenses incurred and losses suffered on account of obtaining permits, financial costs, agency charges and consultants fee etc., on this project by the Company and the EPC Contractor. 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 discharge its liabilities in the normal course of business from the available funds.

(e) Unsecured Loans and advances include amounts given to Nama Investments Limited and NNR Infra Investments Private Limited. These companies have been incurring losses and the accumulated losses exceeded the net worth of these companies. As the value of investments of these companies are more than the loans and advances due from these companies, management is confident on the realisation carrying value of the assets at the values stated in the books of accounts.

- 2.38** 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.

Figures of previous year have been regrouped/rearranged/reclassified wherever 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 : 30.05.2016

K. Venkateswarlu
General Manager
Finance & Accounts

Asfia Moin
I/C Company Secretary
ACS-37280



MADHUCON

MADHUCON PROJECTS LIMITED

CIN: L74210TG1990PLC011114

Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam-507 003

Tel.No:040-23556001; Fax: 040-23556005; website: www.madhucon.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company being held on 24th September, 2016 at 3.00 PM at its Registered Office.

Members Folio/ DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Signature of Member/Proxy

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

MADHUCON PROJECTS LIMITED

CIN: L74210TG1990PLC011114

Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam-507 002

Tel.No:040-23556001; 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-5007 002

Name of the Members(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:-

- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the 24th day of September, 2016 at 3.00 p.m. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Indicates below:			
Resolution No.	Resolution	Vote**	
		For	Against
Ordinary Business			
1	Consider and adopt the audited Financial Statements (Standalone and Consolidated) for the financial year ended 31 st March, 2016 together with Reports of the Board of Directors and Auditors thereon.		
2	To declare dividend on Equity Shares for the financial year 2015-16		
3	Appointment of Auditors and to fix their remuneration		
Special Business			
4	Re-appointment of Sri. Nama Seethaiah (DIN- 00784491) as Managing Director & CEO of the company		
5	Approval for the remuneration of the Cost Auditor for the financial year ending on March 31, 2017		

Signed this day of 2016.

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Affix
OneRupee
Stamp here

Notes:

- The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the 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.
- **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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 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 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 Client 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 8 characters with at least one upper case (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 under 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 signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rakhiagarwal79@yahoo.com 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 No. 1800 345 4001 (toll free).