



REPORT ON CORPORATE GOVERNANCE

The Directors have pleasure in presenting the Company's Report on "Corporate Governance" pursuant to clause 49 of the Listing Agreement of the Stock Exchange.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Madhucon Projects Limited aims to maximize its contribution towards enrichment of quality of life and societal welfare by nurturing an excellent organization for nation building. To be in the league of top ten infrastructure companies of the nation and to become the most respected global infrastructure company.

Madhucon Projects Limited believes that good corporate governance is essential to achieve long term corporate goals and to enhance shareholders' value. The Company's philosophy on Corporate Governance envisages attainment of high-level transparency, accountability, disclosures and integrity in the functioning of the company. The Company believes that its systems and actions must be integrated for enhancement of Corporate Performance resulting in the maximization of shareholders value in the long run.

2. BOARD OF DIRECTORS:

i. Composition and Category of the Directors:

In terms of compliance with the requirement of clause 49(l)(A) of Listing Agreement, the Company endeavor to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees.

As on 31st March 2011, the Board consists of 5 (Five) Directors. There is 1(One) Managing Director, 1(One) Whole-Time Director, 1(One) Non-Executive Director, and 2(Two) Independent Non-Executive Directors of whom one is the Chairman.

ii. Attendance of each director at the Board Meeting and the last Annual General Meeting:

The particulars of attendance of Board Meeting and Annual General Meeting by Directors for the financial year ended 31.03.2011 has been set out here below.

Sl. No.	Name of the Director	Board Meetings attended during the financial year 2010-11	Meeting attended at Previous AGM held on 30.09.2010
1	Sri N. Seethaiah Managing Director	33	Yes
2	Sri S.Vaikuntanathan Whole-time Director	33	Yes
3	Sri K. Srinivasa Rao Non-Executive Director	33	No
4	Dr. C. Venkateshwara Rao Independent Director	33	No
5	Sri P. Madhava Rao Independent Director	8	No



iii. Number of other Boards or Board Committees in which director is a member or Chairperson:

In terms of compliance with the requirement of clause 49(I) (C) (ii) of Listing Agreement, the number of directorship and membership in Board of Directors and Committees respectively in other companies are set out 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	17	3	-
2	Sri S. Vaikunthanathan	Whole-time Director	1	-	-
3	Sri K. Srinivasa Rao	Non- Executive Director	18	-	-
4	Dr. C. Venkateshwara Rao	Independent Director	12	1	2
5	Sri P. Madhava Rao	Independent Director	2	2	1

None of the Directors is a Member in more than 10 Committees and Chairman in more than 5 Committees.

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

In terms of compliance with the requirement of clause 49(I) (C) of Listing Agreement, Thirty Three(33) Board Meetings were held during the financial year ended 31.3.2011 on the following dates:

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
06.04.2010	14.07.2010	07.10.2010	17.01.2011
16.04.2010	20.07.2010	29.10.2010	31.01.2011
24.04.2010	23.07.2010	30.10.2010	04.02.2011
30.04.2010	31.07.2010	12.11.2010	21.02.2011
25.05.2010	09.08.2010	29.11.2010	25.02.2011
17.06.2010	21.08.2010	02.12.2010	07.03.2011
19.06.2010	08.09.2010	18.12.2010	08.03.2011
30.06.2010	14.09.2010		19.03.2011
			30.03.2011
			31.03.2011

3. AUDIT COMMITTEE:

i. Brief description of terms of reference:

In terms of compliance with the requirement of clause 49(II) of Listing Agreement, 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 Clause 49(II) (C) and 49(II) (D) of the Listing Agreement read with Section 292 A of the Companies Act, 1956.

ii. Composition, Name of Members and Chairperson:

The Audit Committee was re-constituted on 29.04.2006 consisting of three members namely Sri P. Madhava Rao, Independent Director as Chairman, Dr. C. Venkateshwara Rao, Independent Director and Sri K. Srinivasa Rao, Non-Executive Director as Members of the Committee.

**iii. Meeting and attendance during the year:**

In terms of compliance with the requirement of clause 49(II)(B) of Listing Agreement, the Audit Committee met 4(Four) times during the financial year under review, on 30.04.2010, 31.07.2010, 29.10.2010, and 31.01.2011 and the attendance of the members of the Audit Committee as recorded is as under:

Sl.No.	Name of the Director	Status attended	No. of meetings
1	Sri P. Madhava Rao	Chairman	1
2	Dr. C. Venkateshwara Rao	Member	4
3	Sri K. Srinivasa Rao	Member	4

The Whole-Time Director / Director (Finance), Head of the Internal Auditors, General Manager (Accounts & Finance) and representative of Statutory Auditors attend the meetings of the Audit Committee as Invitees.

In terms of compliance with the requirement of clause 49(II) (E) of Listing Agreement, the Audit Committee review the information from time to time as specified in the said clause.

4. REMUNERATION COMMITTEE:**i. Brief description of terms of reference:**

The terms of reference of 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 Share holders.
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, Name of the Members and Chairperson:

The Company has re-constituted the Remuneration Committee on 29.04.2006 consisting of three (3) members namely Dr. C. Venkateshwara Rao, Independent Director as Chairman, Sri.P.Madhava Rao, as Independent member and Sri.K.Srinivasa Rao, Non-Executive Director as Member.

iii. Attendance during the year:

The Remuneration Committee met 1 (One)) time, during the financial year under review, on 25.02.2011 and 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	Dr C. Venkateshwara Rao	Chairman	1
2	Sri P. Madhava Rao	Member	1
3	Sri K. Srinivasa Rao	Member	1

iv. Remuneration Policy:

The remuneration policies of the company are as follows:

1. The remuneration payable to the executive directors shall not exceed the limits prescribed by the Companies Act, 1956 and amendment / re-enactment, if any.



2. The remuneration payable to the executive directors is linked with their merit and performance.
3. The remuneration payable to the directors is subject to approval of Board of Directors and Shareholders at their meetings.
4. No sitting fee to the Directors for attending the Board/Committee meetings.
5. Such other policy as may be decided from time to time.

v. Details of Remuneration to all Directors:

Details of Remuneration of the following Directors for the financial year ended 31st March 2011 are as follows:

Sl. No.	Name of the Director	Consolidated Salary (Value in Rs.)	Perquisites, Allowances and other Benefits	Performance bonus / Incentive / Commission / Stock Option	Sitting Fees	Total (Rs.)
1	Sri N. Seethaiah Managing Director	5,00,000 (01.05.2010 to 31.03.2011) 2,00,000 (01.04.2010 to 30.04.2010)	Nil	Nil	Nil	57,00,000
2	Sri S. Vaikuntanathan Whole-Time Director	1,95,000	Nil	Nil	Nil	23,40,000
3	Sri K. Srinivasa Rao Non-Executive Director	Nil	Nil	Nil	Nil	Nil

5. SHAREHOLDERS / INVESTORS GRIEVANCE 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. Name of Non-Executive Director heading the Committee:

The Shareholders/ Investors Grievance Committee was reconstituted on 29.04.2006 consisting of three (3) members namely Sri.K.Srinivasa Rao, Non-Executive Director as Chairman, Sri.N.Seethaiah, Managing Director and Dr. C. Venkateshwara Rao, Independent Director as Members of the Committee.

ii. Name and Designation of Compliance Officer:

Sri Viswanath E.N., the Company Secretary has been designated as the Compliance Officer of the Company.

iii. Number of Share holders Complaint received as on the date of approval of Directors Report:

The company has received no complaints from the Shareholders.

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

Nil

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

Nil

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

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

vii. Attendance during the year:

The Shareholders/Investors Grievances Committee met 4(Four) times during the year on 30.04.2010, 31.07.2010, 29.10.2010 and 31.01.2011 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	Sri K. Srinivasa Rao	Chairman	4
2	Sri N. Seethaiah	Member	4
3	Dr. C. Venkateshwara Rao	Member	4

vii Shares held by Non-Executive and Independent Directors:

Sl. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Sri K. Srinivasa Rao	Non-Executive	954000	1.29
2	Dr. C. Venkateshwara Rao	Independent	Nil	Nil
3	Sri P. Madhava Rao	Independent	Nil	Nil

6. GENERAL BODY MEETINGS:**i. Location, Time and Special Resolutions passed for 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/ approved
20th AGM (2009-10)	30.09.2010, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1. Amendment of Capital Clause in Memorandum & Articles of Association. 2. Issue of Further Securities 3. Amendment of Articles of Association to provide for issue of Securities with differential voting rights.
19th AGM (2008-09)	30.09.2009, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	No
18th AGM (2007-08)	29.09.2008, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Yes



iii. **Special Resolution passed through Postal Ballot:**

No Special resolution was passed through Postal Ballot during 2010-2011. None of the Business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

7. **DISCLOSURES:**

In terms of compliance with the requirement of clause 49(IV)(A), 49(IV)(B) and 49(IV)(C) of Listing Agreement, the Company complies with the requirement relating to related party transactions, accounting treatment, risk management as specified therein wherever required. The clause 49(IV) (D) of Listing Agreement is not applicable since the Company has not raised any proceeds from public issues, rights issues, preferential issues etc. during the financial year ended 31.3.2011. Similarly, clause 49(IV) (E) of Listing Agreement relating to remuneration to Non-Executive Director is not applicable since no Non-Executive Director was paid any remuneration during the financial year ended 31.3.2011.

In terms of compliance with the requirement of clause 49(IV) (F) of Listing Agreement, information as required under Management Discussion and Analysis Report (MDA) is given in the Directors' Report forming the part of this Annual Report.

i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

None

ii) **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

iii) **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

It is affirmed that no personnel has been denied to access to the Audit Committee.

iv) **Details of compliances with mandatory requirements and adoption of non-mandatory requirements of Clause-49.**

Complied all the mandatory requirements from time to time. None of the non-mandatory requirements is adopted.

v) **Pecuniary relationships or transactions with Non- Executive Directors**

None

vi) **Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges**

Given elsewhere in the Report.

The details as given above are in conformity with the list of items to be included in the report on corporate governance in the Annual Report as specified in the Annexure IC of Clause-49 of Listing Agreement of the stock exchange.

8. **MEANS OF COMMUNICATION:**

i. **Quarterly Results:**

The quarterly financial provisional un-audited results of the company will be published in the leading daily newspaper within 45 days from the end of the respective quarter as per the Clause-41 of the Listing Agreement.



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

Financial Reporting for the :	
1st Quarter ended 30th June 2011	29th July, 2011
2nd Quarter ended 30th September 2011	15th November, 2011
3rd Quarter ended 31st December 2011	15th February, 2011
4th Quarter ended 31st March 2012	15th May, 2012

ii. Newspapers wherein results normally published:

The financial provisional un-audited results will be published in all leading daily newspapers in English and in Regional language having nationwide circulation like Financial Express and Andhra Prabha.

iii. Any website where quarterly results displayed:

These financial provisional results and shareholding pattern will also be posted on SEBI's Corporate Filing & Dissemination System (CFDS) website www.corpfiling.co.in. and also placed in Company's website www.madhucon.com.

iv. Whether quarterly results also displays official news releases:

The performance of the Quarterly results will be released in press by the press media from time to time.

v. The presentation made to institutional investors or to the analysts:

Yes. Through video conference.

The Report of the Directors, forming part of this Annual Report and Accounts, includes Management Discussion and Analysis Report (MDAR).

9. INVESTMENTS/EQUITY PARTICIPATION IN OTHER COMPANIES:

i) Madhucon Projects Limited Investments in Equity of Subsidiary Companies as on 31.03.2011:

Sl. No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face Value of Equity Shares (Rs)	Value of Equity shares (Rs)	Percentage (%)
1	Madhucon Infra Limited (CIN: U45200AP2006PLC049235)	22.02.2006	627287045	10	6272870450	90.51
2	Madurai-Tuticorin Expressways Limited (CIN-U45203AP2006PLC050114)	11.05.2006	88561500	10	885615000	54.12
3	Madhucon Energy Limited (CIN- L45309AP2000SGC034007)	24.03.2000	100090	5	500450	99.99
4	Madhucon Mega Mall Private Limited (CIN-U45400AP2007PTC056734)	18.12.2007	20000	10	200000	66.66
5	Nama Hotels Private Limited (CIN-U55101AP2007PTC056818)	24.12.2007	27121200	10	271212000	99.96
6	Madhucon Heights Private Limited (CIN-U45209AP2007PTC056733)	18.12.2007	20000	10	200000	66.66
7	Agastyamuni Hydro Power Private Limited (U40108AP2010PTC068128)	28.04.2010	6000	10	60000	60.00
8	Rudraprayag Hydro Power Private Limited (U40108AP2010PTC068130)	28.04.2010	6000	10	60000	60.00
9	Tilwara Hydro Power Private Limited (U40300AP2010PTC068127)	28.04.2010	6000	10	60000	60.00


ii) Madhucon Projects Limited Investments in Equity of Foreign Subsidiary Companies as on 31.03.2011:

Sl. No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face Value of Equity Share	Value of Equity Shares held	Percentage (%)
01	Madhucon Natural Resources Limited, Singapore (200603264W)	09.03.2006	750	S\$ 1/-	S\$ 750 (Equivalent to Rs.21036)	75.00%
02	Madhucon Oil & Gas Limited, Ghana (CA-81,639)	22.11.2010	900	Ghc405,000.00	274500	90.00%

iii) Madhucon Projects Limited Investments in Equity of Group Companies as on 31.03.2011:

Sl. No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face Value of Equity Share Rs.	Value of Equity Shares held Rs.	Percentage (%)
1	Madhucon Sugar & Power Industries Limited (CIN:U15427AP2002PLC039859)	05.11.2002	4811500	10	48115000	10.36
2	MBN Anchored Earth Limited (CIN U45200AP1998PLC029310)	28.04.1998	40000	10	400000	40.00
3	Madhucon Properties Limited (CIN:U45200AP2005PLC045366)	15.02.2005	20000	10	200000	33.33
4	Madhucon Toll Highways Limited (CIN- U93000AP2008PLC060479)	05.08.2008	30000	10	300000	37.50
5	Madhucon Agra-Jaipur Expressways Limited (CIN-U45203AP2005PLC045689)	23.03.2005	100000	10	1000000	0.10
6	TN(DK) Expressways Limited (CIN- U45200AP2006PLC048941)	31.01.2006	100000	10	1000000	0.13
7	Trichy-Thanjavur Expressways Limited (CIN- U45200AP2006PLC049815)	13.04.2006	100000	10	1000000	0.15
8	Chhapra-Hajipur Expressways Limited (U45209AP2010PLC068742)	02.06.2010	30000	10	300000	0.05
9	Simhapuri Energy Private Limited (CIN-U40101AP2005PTC048264)	02.12.2005	10000	10	100000	0.00
10	Rajanagaram Gas Power Private Limited (U40108AP2010PTC066560)	05.01.2010	488080	10	4880800	13.56
11	Ramnagar Power Private Limited (U40108AP2010PTC071246)	16.11.2010	10000	10	100000	50.00
12	Barasat-Krishnagar Expressways Ltd (U45203AP2011PLC073469)	24.03.2011	14000	10	140000	28.00
13	Ranchi Expressways Limited (U45209AP2011PLC073568)	29.03.2011	14000	10	140000	28.00

iv) Madhucon Projects Limited Investments in Equity of Foreign Group Companies as on 31.03.2011:

Sl. No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face Value of Equity Share	Value of Equity Shares held	Percentage (%)
1	PT Madhucon Indonesia (Deed No.30) (H.R.01.01.TH 2006) Jakarta, Indonesia	19.12.2005	1565000	Rph.10,110	US\$1565000 (equivalent to Rs.65804152)	10



10. 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 by SEBI. 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.

11. Auditors’ Certificate:

Auditors’ Report certifying the compliance of Corporate Governance as required under clause 49 of the Listing Agreement is annexed herein forming a part of Corporate Governance Report and the same has been sent to National Stock Exchange and Bombay Stock Exchange along with Annual Report of the Company.

12. GENERAL SHAREHOLDER INFORMATION:

i) Day, Date, Time and Venue of Annual General Meeting:

Day : Friday
Date : 30th September, 2011
Time : 3:00 PM
Venue : Registered Office - Madhu Complex, 1-7-70, Jublipura
Khammam-507 003, Andhra Pradesh

ii) Financial Year:

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

iii) Date of Book Closure:

26th September 2011 to 30th September 2011 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared at the AGM for the financial year ended 31st March, 2011 and also for effecting the transfer of shares. Dividend will be paid to the beneficial owner of the shares as per the details provided by the Depositors.

iv) Dividend Payment Date:

On or before 30th October, 2011

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 2010-2011:

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 2011 are as under:

A) BSE

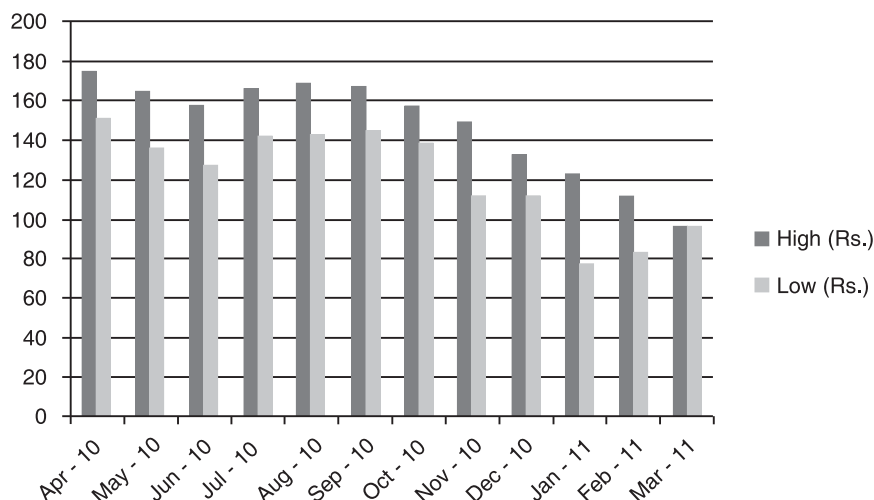
Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2010	174.90	151.10	1321963	22713
May 2010	165.00	136.45	432393	10004
June 2010	158.00	127.25	582148	10584
July 2010	166.00	142.15	394135	8146
August 2010	169.00	142.60	410642	7466
September 2010	167.75	145.10	1228352	15279
October 2010	157.45	139.10	297780	6480
November 2010	149.50	112.00	412766	3806
December 2010	132.90	112.80	212480	4056
January 2011	123.35	77.50	168900	5795
February 2011	111.35	83.25	672534	16232
March 2011	96.45	83.00	478049	10814

B) NSE

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2010	174.15	151.10	147432
May 2010	166.00	136.25	53185
June 2010	157.30	127.30	34939
July 2010	166.50	142.00	9141
August 2010	169.50	146.00	51630
September 2010	167.70	143.40	26590
October 2010	157.00	140.10	82627
November 2010	148.00	110.10	17733
December 2010	131.80	113.00	33816
January 2011	125.70	82.00	44159
February 2011	112.00	84.00	101406
March 2011	96.40	83.15	46206



Share Price Movement Diagram:



viii) Registrar and Transfer Agents (RTA):

M/s. Sathguru Management Consultants Private Limited

Plot No. 15, Hindi Nagar

Punjagutta, Hyderabad-500 082

Phone Nos: 040-30160333, Fax: 040-23354042

E-mail: sta@sathguru.com

Contact Person Name: Sri R. Chandrasekhar, Sr. Divisional Manager - Capital Market

ix) Share Transfer System:

All the Share Transfers that are received will be processed by the Registrar and Transfer Agents (RTA) and approved and registered by the Board of Directors within 30 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) A) Distribution of Shareholding as on 31st March, 2011:

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Share Amount	
		%	In Rs.	%
1 - 5,000	10874	98.13	2730362	3.70
5,001 - 10,000	75	0.68	573401	0.78
10,001 - 20,000	50	0.45	711718	0.96
20,001 - 30,000	17	0.15	407854	0.55
30,001 - 40,000	6	0.05	201900	0.27
40,001 - 50,000	6	0.05	256985	0.35
50,001 - 1,00,000	9	0.08	660290	0.89
1,00,001 - Above	44	0.40	68252430	92.49
TOTAL	11081	100.00	73794940	100.00

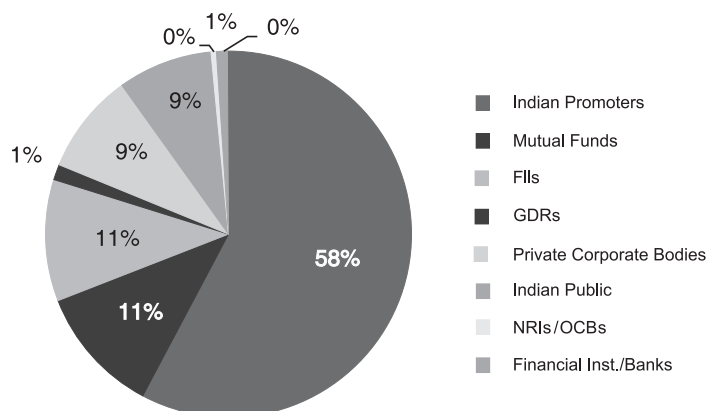

B) SHAREHOLDING PATTERN AS ON 31ST MARCH 2011:

Shareholding Pattern for the Quarter ending 31st March 2011 in terms of Clause 35 of Listing Agreement is as follows:

Category	Sub Category	No. of Shareholders	No. of Shares	% of Shares
A) Promoter's Shareholding	Indian Promoters			
	a) Individuals/ Hindu Un-dividend family	21	30278600	41.03
	b) Bodies Corporate	3	12270438	16.63
	b) Foreign Promoters	0	0	0
	c) Persons acting in Concert	0	0	0
	Total Promoters Shareholdings (A)	24	42549038	57.66
B) Public Shareholding	1) Institutions			
	a) Mutual Funds/ UTI	5	8417226	11.41
	b) Financial Institutions/Banks	2	559500	0.76
	c) Central/State Govt.(s)	0	0	0
	d) Venture Capital Funds	0	0	0
	e) Insurance Companies	0	0	0
	f) Foreign Institutional Investors	33	7964190	10.79
	g) Foreign Venture Capital Investors	0	0	0
	2) Non- Institutions			
	a) Bodies Corporate	411	6718239	9.10
	b) Individual Shareholders holding:			
	i) Nominal share capital upto Rs.1 Lakh.	10370	3579639	4.85
	ii) Nominal share capital in excess of Rs.1Lakh	7	2654202	3.60
	c) NRI/OCB	166	212122	0.29
	d) Trust	1	5000	0.01
	e) Clearing Members	61	81384	0.11
	Total Public Shareholding (B)	11080	30191502	40.91
C) Shares held by Custodians and against which Depository Receipts have been issued	Duetches Bank Trust Company Americas – GDR's	1	1054400	1.43
	Grand Total: (A)+(B)+(C)	11081	73794940	100



SHAREHOLDING DISTRIBUTION



C) Top Shareholders as on 31st March, 2011:

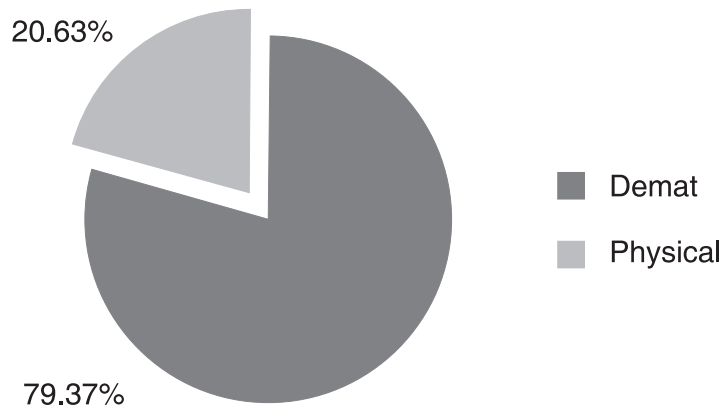
	Category	Name	No. of Shares	% of Shares
A	Promoter's Holding (holding more than 1%)			
	Indian Promoters	1) Nama Nageswar Rao	10147000	13.75
		2) Nama Seethaiah	6001800	8.13
		3) Nama Chinnamma	6158000	8.34
		4) Nama Krishnaiah	2601800	3.53
		5) Nama PrithviTeja	993000	1.35
		6) Kamma Srinivasa Rao	954000	1.29
		Total (A)	26855600	36.39
B	Public shareholding (holding more than 1%)			
B1	Institutional Investors			
	a) Mutual Funds	1) Reliance Capital Trustee Co. Ltd A/C Reliance Growth Fund	4229142	5.73
		2) Sundaram BNP Paribas Mutual Fund A/C Sundaram BNP	2618570	3.55
	b) Foreign Institutional Investors:	1) The Master Trust Bank of Japan, Ltd A/c HSBC. Indian Equity Mother Fund.	1165170	1.58
		2) Copthall Mauritius Investment Ltd	2617236	3.55
		3) Deutsche Securities Mauritius Limited	2381955	3.23
		4) Merrill Lynch Capital Markets Espana S.A. S.V.	1381000	1.87
B2	Non-Institutions	Bodies Corporate – Domestic		
		1) Madhucon Granites Limited	8044000	10.90
		2) Nama Investments Limited	3633500	4.92
		3) ICICI Prudential Life Insurance Company Ltd	4346222	5.89
		4) MAX New York Life Insurance Company Ltd	1151751	1.56
		Total (B1)+(B2)	31568546	42.78



xi. Dematerialization of shares and liquidity:

5,85,70,530 Equity Shares equivalent to 79.37% of the total equity share capital have been de-materialized and 1,52,24,410 are in physical form equivalent to 20.63% as on 31st March 2011.

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.



xii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

No outstanding instruments.

xiii. A) Plant Locations:

Not applicable, since the company is not engaged in manufacturing activities.

xiv. Address for 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 Share Transfer Agents of the company.

M/s. Sathguru Management Consultants Pvt. Ltd

Plot No.15, Hindi Nagar, Punjagutta

Hyderabad - 500 034

Telephone: 040 - 30160333

Fax No: 040 - 23354042

E-Mail: sta@sathguru.com

Contact Person - Mr. R. Chandrasekhar, Sr. Divisional Manager - Capital Market

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

13. Listing Fees:

Listing fee is promptly paid to BSE & NSE within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2011-2012.

14. Information to be placed before the Board of Directors:

In terms of Annexure I A of clause 49 of Listing Agreement, the required information will be placed before the Board of Directors as a part of agenda for discussion and decision wherever applicable.

In terms of compliance with the requirement of clause 49(I)(C)(iii) of Listing Agreement, the Board periodically reviews compliance of all laws applicable to the Company as prepared by the respective officers of the Company and also steps taken by them to rectify instances of non-compliances.

15. Code of Conduct:

In terms of compliance with the requirement of clause 49(I)(D) of Listing Agreement, 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 2011.

16. Secretarial Audit:

Quarterly Secretarial Audit will be conducted by practicing Company Secretary in accordance with Circular of SEBI No. D&CC /FITT/CIR-16/2002 dated 31st December 2002 and Certificates will be issued accordingly.

17. Record of Dividend and Cash Bonus for the past three years (For Equity Shares):

Year	Type of Payment	Rate in %	Amount per Share(Rs.)	Total Amount(Rs.)
2009-2010	Interim	---	---	---
	Final	40	0.40	29517976
2008-2009	Interim	---	---	---
	Final	40	0.80	29517976
2007-2008	Interim	---	---	---
	Final	30	0.60	22138482

In terms of compliance with the requirement of clause 49(G) of the Listing Agreement relating to shareholders, the Profile of the Director(s) including Managing Director being appointed / reappointed at the ensuing AGM is given here-below.



18. Directors retiring by rotation:

A) Dr. C. Venkateshwara Rao, Independent Director

Dr.C.Venkateshwara Rao is aged around 56 years hails from an Agriculture family. He is an Industrialist. While he was in real estate and construction business, he has successfully completed many construction ventures of residential and commercial nature in and around Hyderabad. He is involved in Educational activities in Nursing and Paramedical courses. Presently, he is Chairman & Managing Director of Image Health Care Limited, a super speciality hospital in Hyderabad. He was honoured with Doctorate for his achievement in Humanitarian services by Open International University for complimentary medicines.

He is a member on the Board of Directors of Madhucon Infra Limited as an Independent Director.

He is a member in the Audit Committee, Remuneration Committee and Shareholders' Grievances Committee. He is a Chairman of the Remuneration Committee as an Independent Director.

He holds no shares in the Company.

B) Re-appointment of Sri S. Vaikuntanathan as a Whole-time Director of the Company:

Sri.S.Vaikuntanathan, aged about 57 years, is a Fellow of Chartered Accountant and CAIIB. Before joining Madhucon Projects Limited, he worked in Banking and Industrial sectors in different capacities in the field of Accounts, Finance, Internal Audit & Banking discipline over a period of 32 years. He is working in Madhucon Projects Limited since last 14 years holding various positions from Group General Manager (Finance) to Whole-time Director designated as Director (Finance). He is Whole-time Director on the Board since 15th March, 2004. He has a rich experience in Accounts, Finance & Banking and more particularly in BOT financial modeling in transportation. He is instrumental in bagging seven BOT Roads of NHAI and also successfully raising Global Depository Receipts (GDR) in the year 2006. He is also instrumental in achieving financial closure for Road, Power and Hotel projects.

He is a member on the Board of Directors of Simhapuri Energy Private Limited.

He is holding 10000 equity shares in the company representing 0.01% in the total paid up equity share capital of the company.

19. Declaration of compliance with the Code of Conduct:

In terms of compliance with the requirements of clause 49(I)(D)(ii) of the Listing Agreement, the members of the Board and Senior Management personnel of the Company affirm that the code of conduct, as framed by the Company, is being complied with from time to time during the period under review.

For and on behalf of the Board

Place: Hyderabad
Date: 30.08.2011

N.SEETHAIAH
Managing Director



20. CEO/CFO Certification:

In terms of compliance with the requirements of clause 49(V) of the Listing Agreement, Sri N. Seethaiah, Managing Director and Sri S. Vaikuntanathan, Whole-time Director of the Company as CEO and CFO respectively 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:
 - i. That the Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered in to by the Company during the year which is fraudulent, illegal or violates of the company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal control if any of which we are aware and steps that we have taken or proposed to take to rectify these deficiencies. .
- d) Further, we have indicated to the Auditors and the Audit Committee
 - i. Significant changes in internal control over financial reporting during the year, wherever applicable;
 - ii. Significant changes in accounting policies during the year and correct information has been disclosed in the notes to the financial statements, wherever applicable and
 - iii. 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.

For and on behalf of the Board

Place: Hyderabad
Date: 30.08.2011

N. SEETHAIAH
Managing Director

S. VAIKUNTANATHAN
Whole-time Director



21. Quarterly Compliance Report on Corporate Governance

In terms of compliance with the requirements of clause 49(VI) of Listing Agreement, the company submits to stock exchange the quarterly compliance of corporate governance report within the prescribed period and in the prescribed format.

Quarterly Compliance Report on Corporate Governance for the Quarter ending on 30th June, 2011.

Particulars	Clause of Listing Agreement	Compliance Status
I. Board of Directors	49 (I)	
(A) Composition of Board	49(IA)	Yes
(B) Non-executive Director's compensation & Disclosures	49(IB)	Yes
(C) Other Provisions as to Board and Committees	49(IC)	Yes
(D) Code of Conduct	49(ID)	Yes
II. Audit Committee	49(II)	
(A) Qualified & Independent Audit Committee	49(IIA)	Yes
(B) Meeting of Audit Committee	49(IIB)	Yes
(C) Powers of Audit Committee	49(IIC)	Yes
(D) Role of Audit Committee	49(IID)	Yes
(E) Review of Information by Audit Committee	49(IIE)	Yes
III. Subsidiary Companies	49(III)	Yes
IV. Disclosures	49(IV)	
(A) Basis of related party transactions	49(IVA)	Yes
(B) Disclosures of Accounting Treatment	49(IVB)	Yes
(C) Board Disclosures	49(IVC)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49(IVD)	NA
(E) Remuneration of Directors	49(IVE)	Yes
(F) Management	49(IVF)	Yes
(G) Shareholders	49(IVG)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49(VI)	Yes
VII. Compliance	49(VII)	Yes

For and on behalf of the Board

Place: Hyderabad
Date: 30.08.2011

N.SEETHAIAH
Managing Director



Auditor's Certificate on Compliance of Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited having its Regd. Office at: 1-7-70, Jubilipura, Khammam – 507 003, Andhra Pradesh for the year ended 31st March 2011 as stipulated in Clause-49 of the Listing Agreement of the Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementations 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, the Company has complied with the conditions of Corporate Governance as stipulated in the listing agreement.

We state in respect of investor grievances received during the year ended 31st March 2011, no Investor Grievances are pending against the Company as per the records maintained by the Company Registrar & Transfer Agents and presented to the investors/shareholders grievance committee. We further state that such compliance is neither an assurance as for 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
FRN 011982S

Place: Hyderabad
Date: 30.08.2011

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



Persons constituting group coming within the definition of “Group” as defined in erstwhile Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include the following:

1. Sri N.Nageswar Rao and his relatives
2. Sri. N.Seethaiah and his relatives
3. Sri.N.Krishnaiah and his relatives
4. Sri K Srinivasa Rao and his relatives
5. Sri M Seetharamaiah and his relatives
6. Sri M Madhu and his relatives
7. M/s Madhucon Granites Limited
8. M/s Madhucon Sugar and Power Industries Limited
9. M/s Nama Investments Limited
10. M/s Madhucon Infra Limited and its Subsidiaries
11. M/s Madhucon Toll Highways Limited
12. M/s Madhucon Agra-Jaipur Expressways Limited (SPV)
13. M/s TN (DK) Expressways Limited (SPV)
14. M/s Trichy-Thanjavur Expressways Limited (SPV)
15. M/s Madurai Tuticorin Expressways Limited (SPV)
16. M/s Chhapra-Hajipur Expressways Limited (SPV)
17. M/s Barasat-Krishnagar Expressways Limited (SPV)
18. M/s Ranchi Expressways Limited (SPV)
19. M/s Madhucon Energy Limited
20. M/s Simhapuri Energy Private Limited
21. M/s Umarwada Gas Power Project Private Limited
22. M/s Rajanagaram Gas Power Private Limited
23. M/s Agastyamuni Hydro Power Private Limited
24. M/s Rudraprayag Hydro Power Private Limited
25. M/s Tilwara Hydro Power Private Limited
26. M/s Pallakurichi Power Private Limited
27. M/s Tiruchendur Power Private Limited
28. M/s Ramnagar Power Private Limited
29. M/s Madhucon Mineral Resources Limited
30. M/s Madhucon Estates Limited
31. M/s Madhucon Land Developers Limited
32. M/s Madhucon Properties Limited
33. M/s Madhucon Heights Private Limited
34. M/s Madhucon Infotech Limited
35. M/s Madhucon Natural Resources Limited, Singapore
36. M/s PT Madhucon Indonesia, Indonesia



AUDITOR'S REPORT

To
The Members,
Madhucon Projects Limited

- (1) We have audited the attached balance sheet of Madhucon Projects Limited, as at 31st March 2011, the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government In terms of Sub-Section (4A) of Section 227 of the Companies Act, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.
- (4) Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of section 211 of the Companies Act.
 - (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of the Section 274 of the Companies Act.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



- a) In the case of the Balance sheet, of the state of affairs of the company as at 31st March 2011.
- b) In the case of the Profit and Loss account, of the profit for the ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For KOTA & COMPANY
Chartered Accountants
FRN 011982S

Place: Hyderabad
Date: 30.08.2011

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