



# **MADHUCON PROJECTS LIMITED**

**22<sup>nd</sup> ANNUAL REPORT  
2011 - 2012**



## BOARD OF DIRECTORS

**N. Seethaiah**

Managing Director

**S. Vaikuntanathan**

Whole-time Director

**K. Srinivasa Rao**

Director

**C. Venkateshwara Rao**

Independent Director

**P. Madhava Rao**

Independent Director

**Company Secretary**

Nutan Singh

## AUDITORS

**M/s Kota & Company**

Chartered Accountants

(FRN - 011982S)

H.No.331, Arora Colony - 2

Road No.3, Banjara Hills

Hyderabad - 500 034.

## REGISTERED OFFICE

Madhu Complex, 1-7-70

Jublipura, Khammam - 507 003.

## CORPORATE OFFICE

Madhucon House, Plot No.1129/A

Road No. 36, Jubilee Hills

Hyderabad - 500 033.

## REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar

Madhapur, Hyderabad-500081

## BANKERS

Canara Bank

Standard Chartered Bank

ICICI Bank Limited

Oriental Bank of Commerce

HDFC Bank

Bank of Bahrain & Kuwait BSC

State Bank of India

IDBI Bank Limited

United Bank of India

Axis Bank Limited

IndusInd Bank

Bank of India

Yes Bank Limited



## **NOTICE**

To

The Members,  
**Madhucon Projects Limited**

Notice is hereby given that the 22nd Annual General Meeting of Madhucon Projects Limited will be held on Saturday, the 29th September, 2012 at 3.00 PM at the Registered Office of the Company situated at "Madhu Complex 1-7-70, Jublipura, Khammam-507003 to transact the following items of business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Statement of Profit and Loss and Notes thereto for the year ended on that date together with the Report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Sri P. Madhava Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on the equity shares of the Company.
4. 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 224 and other applicable provisions of the Companies Act, 1956 including the amendment thereof, if any, M/s Kota & Company, Chartered Accountants, (FRN 011982S) Hyderabad be and are hereby re-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:**

5. **Enhancement of remuneration of Sri S. Vaikuntanathan, Whole-Time Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, as recommended by the Remuneration Committee and the Board, the revision in managerial remuneration of Sri S. Vaikuntanathan, Whole-time Director of the Company from Rs. 1,95,000/- to Rs. 2,45,000/- per month (inclusive of all allowances & perquisites) be and is hereby approved and ratified."

6. **To Issue of further securities:**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), as also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made there under, including the Foreign Exchange



Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and rules and regulations made there under, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and applicable guidelines/regulations prescribed by the Securities and Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other regulatory/statutory authority and clarifications thereon issued from time to time, whether in India or abroad, and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to the approvals, consents, permissions and/or sanctions of, if applicable including but not limited to, Government of India, RBI, SEBI, Foreign Investment Promotion Board ("FIPB") and/or all other authorities, institutions or bodies, within or outside India, (hereinafter collectively referred to as appropriate authorities) and subject to such terms, alterations, conditions, changes, variations and/or modifications as may be prescribed by any of them while granting such approval (hereinafter referred to as requisite approvals) and as agreed to by the Board of Directors ("Board"), which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this resolution) the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranche(s), in the course of domestic or international offerings or qualified institutional placements, with or without an overallotment/green issue option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of SEBI Regulations and/or a preferential issue and/or any other kind of public issue and/or private placement, with or without an overallotment/green shoe option, equity shares, preference shares, secured or unsecured debentures, bonds, warrants or any other securities whether convertible into Equity Shares or not, including, but not limited to, Compulsorily Convertible Preference Shares ("CCPS") and/or Optionally Convertible Preference Shares ("OCPS") and/or Partially Convertible Preference Shares ("PCPS") and/or Non-Convertible Preference Shares ("NCPS") and / or Foreign Currency Convertible Bonds ("FCCBs") and / or Non-Convertible Debentures ("NCDs") with or without attached share warrants and / or Partly Convertible Debentures ("PCDs") and / or Optionally Convertible Debentures ("OCDs") and / or Fully Convertible Debentures ("FCDs") and / or Bonds with Share Warrants attached which are convertible into or exchangeable with equity shares and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not as may be permitted by law (hereinafter referred to as "securities"), whether secured or unsecured, to be listed on any stock exchange in India or any foreign/international stock exchange outside India if required, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated or denominated in foreign currency, provided that the aggregate of the sums so raised, including premium, if any, shall not exceed **Rs.1000 Crores (Rupees One Thousand Crores)** as the Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors."

**"RESOLVED FURTHER THAT** the securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the underlying equity shares shall rank pari passu in all respects with the existing equity shares of the Company including payment of dividend, if any, declared including other corporate benefits, if any, for the financial year in which the issue/offer/allotment has been made and subsequent years and shall have the same voting rights as the existing equity shares."



**“RESOLVED FURTHER THAT** in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue.”

**“RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorised on behalf of the Company to finalize the pricing, tenure, terms and conditions relating to the issue of the securities and any other matter in connection with, or incidental to, the issue of the securities as the Board or any Committee thereof, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto.”

**“RESOLVED FURTHER THAT** the pricing of the securities and the pricing of any equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and regulations.”

**“RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorised to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed issue/offering/allotment of the securities and to negotiate and finalise the terms and conditions (including the payment of fees, commission, brokerage, out of pocket expenses and their charges subject to requisite approvals of the RBI, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointments so made and to enter into and execute all such agreements, arrangements, memoranda, documents etc. with such persons and to seek listing of such securities.”

**“RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorised to determine the form, tenure, terms and timing of the issue(s)/ offering(s)/ allotment(s), including the investors to whom the securities are to be allotted, the proportion in which they are allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters and finalise and approve the preliminary as well as the final offer documents for the proposed issue of the securities as may be required by the authorities in such issues in India and/or abroad and to authorise any director or directors of the Company or Secretary or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorised person, be required from time to time.”

**“RESOLVED FURTHER THAT** the Company do apply for listing of any new securities issued with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited or any other stock exchange(s) in India and/or Abroad.”

**“RESOLVED FURTHER THAT** such of these securities as are not subscribed may be disposed off by the Board or any Committee thereof in its absolute discretion in such manner, as the Board or Committee may deem fit and as permissible by law.”

**“RESOLVED FURTHER THAT** in case of a qualified institutional placement made pursuant to SEBI Regulations, the allotment of eligible securities within the meaning of SEBI Regulations shall only to qualified institutional buyers within the meaning of SEBI Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by SEBI Regulations from time to time and the



Company shall apply to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per the SEBI Regulations.”

**“RESOLVED FURTHER THAT** in case of a qualified institutional placement of equity shares pursuant to SEBI Regulations, the relevant date for the determination of the price of the equity shares, shall be the date of the meeting of the Board or any Committee thereof in which the decision to open the proposed issue is taken or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations.”

**“RESOLVED FURTHER THAT** in the event securities convertible into equity shares are issued under SEBI Regulations, the relevant date for the purpose of pricing of the equity shares to be issued on conversion, shall be the date of the meeting of the Board or any Committee thereof in which the decision to open the proposed issue is taken or the date on which the holder(s) of securities which are convertible into or exchangeable with equity shares at a later date become(s) entitled to apply for the said shares or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations.”

**“RESOLVED FURTHER THAT** subject to the applicable laws, the Board or any Committee thereof be and is hereby authorised to do such acts, deeds and things as the Board or any Committee thereof in its absolute discretion deems necessary or desirable in connection with the issue of the securities, and to give effect to aforesaid resolution, including, without limitation, the following:

- (a) finalisation of the allotment of the securities on the basis of the subscriptions received;
- (b) finalisation of arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/ offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (c) approval of the preliminary and final offering circulars/ prospectus/offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Lead Managers/ Underwriters/ Advisors, in accordance with all applicable laws, rules, regulations and guidelines;
- (d) approval of the Deposit Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBs/ other securities, letters of allotment, listing application, engagement letter(s), memorandum of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) finalisation of the basis of allotment in the event of oversubscription;
- (f) acceptance and appropriation of the proceeds of the issue of the securities as Board or Committee thereof decides as it think fit;
- (g) authorisation of the maintenance of a register of holders of the securities, if so required, in India or abroad;
- (h) authorisation of any director or secretary or other officer of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;
- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;



- (j) seeking the listing of the securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (k) giving or authorising to give by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (l) deciding the pricing, tenure and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into GDRs/ADRs, as per applicable laws, regulations or guidelines; and
- (m) creation of mortgage and / or charge in accordance with Section 293 (1) (a) of the Companies Act, 1956 in respect of securities as may be required either on pari passu basis or otherwise."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature."

**"RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) in India or outside India) and under the forms and practices prevalent in the international markets."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board or any Committee thereof or any Director or Secretary or Officer of the Company so authorized by the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

**"RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as appropriate authorities, in India or outside India, may impose at the time of their approval and as agreed to by the Board or any committee thereof."

By order of the Board

Place: Hyderabad  
Date: 28.08.2012

**Nutan Singh**  
Company Secretary  
ACS - 27436

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business to be transacted at this Annual General Meeting is annexed, which forms the part of this notice.
3. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at this Annual General Meeting.



4. 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 109A of the Companies Act, 1956, may submit their request to the Company in Form-2B.
5. The Register of Members and Share Transfer Books will remain closed from 25.09.2012 to 29.09.2012 (inclusive of both days).
6. Dividend on Equity Shares, if declared, will be paid to the members whose names appear in the Company's register of members before the date of commencement of Book Closure. In respect of shares held in electronic mode, the dividend will be paid to the beneficiary as per the details furnished by the Depositories.
7. The Shareholders are requested to inform the change of their address to the Registrars and Share Transfer Agents, M/s Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081 and also register their E-mails for online dispatch of Annual Reports and other communication as a part of Green Initiative adopted by Ministry of Corporate Affairs.
8. Members are requested to demat their physical shareholdings with Depository Participants (DP) along with Permanent Account Number (PAN) in order to facilitate the benefit of electronic trading.
9. Members holding their shares in demat form shall correspond with their respective Depository Participants (DP) with regard to any changes.
10. 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 provision of section 205 C of the Companies Act, 1956 and thereafter, no claim shall lie against such fund or against company.
11. The Shareholders who have not encashed their dividend for the financial year 2005-2006 to 2010-2011 may approach the Secretarial Department of the Company for issue of fresh Dividend Warrants / Demand Drafts against production of such proof of documents as may be required.
12. The Dividend which remained un-encashed for the financial year 2004-2005 is due to be transferred to "Investor Education and Protection Fund" on 1st November, 2012. Therefore, Shareholders may approach Secretarial Department of the Company for claiming their dividend on or before 20th October, 2012.
13. Where members are holding their shares in joint name, the members whose name appears first will be considered for dividend and/or voting purpose.
14. Brief profile of Sri. P. Madhava Rao, who is liable to retire by rotation, is provided in the "Report on Corporate Governance".

#### **ANNEXURE:**

##### **Explanatory Statement Pursuant to the provisions of Section 173(2) of the Companies Act, 1956:**

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

##### **Item No. 5: Enhancement of remuneration of Sri. S.Vaikuntanathan, a Whole-Time Director of the Company**

The Remuneration Committee, in their meeting held on 14th November, 2011, has considered the revision in remuneration of Sri S. Vaikuntanathan, Whole Time Director of the Company from Rs. 1,95,000/- to Rs. 2,45,000/- per month (inclusive of all allowances & perquisites) w.e.f. 1st January 2011 subject to the approval of the members in the forthcoming Annual General Meeting.

##### **Item No. 6: Issue of further Securities:**

In order to meet the Company's long term fund requirements for projects in infrastructure sectors and to further strengthen the financial position of the Company, it is proposed to raise funds in India and/or abroad





from various sources / agencies. Accordingly, it is proposed to issue securities as mentioned in the proposed resolution, the amount of which shall not exceed **Rs. 1000 Crores (Rupees One Thousand Crores)** including premium, if any.

The resolution passed in the last 21st AGM held on 30th September 2011 has become invalid by lapse of One year from the date of passing that resolution.

As per provisions of Section 81(1A) of the Companies Act, 1956 read with Listing Agreement, the Board of Directors of the Company can issue and allot securities to any person other than existing members upon the approval of the members at this Annual General Meeting. The equity shares, if any, allotted on issue, conversion of securities or exercise of warrants shall rank in all respects pari passu with the existing equity shares of the Company.

Your Board of Directors recommends the proposed resolution for shareholders' approval in the interest of the Company.

The Directors of the Company may be deemed to be concerned or interested in the proposed resolutions to the extent of securities that may be subscribed or extent of securities held by them.

By Order of the Board

Place: Hyderabad  
Date: 28.08.2012

**Nutan Singh**  
Company Secretary  
ACS - 27436



## DIRECTORS' REPORT

To  
The Members,  
**Madhucon Projects Limited**

Your Directors have pleasure in presenting the Twenty Second Annual Report on "Business Operations, Performance & Progress" of the Company together with the Audited Financial Statements for the year ended March 31, 2012.

### A. FINANCIAL RESULTS:

(Rupees in Lakhs)

PARTICULARS	2011-2012	2010-2011
Gross Income	182294.22	172176.55
Profit before Depreciation & Taxation	9679.40	11897.60
Depreciation	5115.80	4780.17
Profit before Taxation	4563.60	7117.43
Provision for Taxation		
i) Current Tax	1564.61	4562.51
ii) Deferred Tax	(477.18)	(685.93)
Profit after Taxation	3476.17	3240.85
Profit available for appropriation	3476.17	3240.85
<b>APPROPRIATION</b>		
General Reserve	347.62	324.08
Proposed Dividend	73.79	184.49
Corporate Tax on Proposed Dividend	11.97	30.64
Balance transferred to Balance Sheet	3042.79	2701.63
Earnings per Share (Rs.)	4.71	4.39
Book Value (Rs.)	87.07	82.48
Paid-up Equity Share Capital	740.32	740.32
Reserves & Surplus	63511.79	60121.38

### B. REVIEW OF OPERATIONAL PERFORMANCE:

During the year under review, your company has achieved a gross income of Rs. 182294.22 lakhs as against Rs. 172176.55 lakhs in the previous year. The Company has earned a net profit of Rs. 3476.17 lakhs as against Rs. 3240.85 lakhs in the previous year after providing for depreciation of Rs. 5115.80 lakhs (Rs. 4780.17 lakhs in the previous year).

Your Company has consolidated its financial statements combining the financial information from its various subsidiary companies as per the applicable Accounting Standards and as a result, the consolidated turnover and consolidated profit/loss after elimination of intra group transactions are shown as Rs. 57700.90 lakhs and Rs. 30454.84 lakhs respectively.



## C. MANAGEMENT DISCUSSION AND ANALYSIS:

### I. Industry Scenario:

The Indian economy has still facing global crisis due to slowdown in economy with higher interest cost and rupee depreciation culminating with slow recession of US economy and Euro crisis. India has achieved a GDP growth rate of 5.6% during 2011-2012 as against estimate of 8%. The government has given a special thrust to Infrastructure sector including Roads and Highways and provided substantiate budget to develop and construct 9500 Kms Highways during the fiscal year 2012-2013. It was also provided special incentives to boost the investment in infrastructure under PPP to accelerate the growth and to sustain at 6.7% in 2012-2013.

#### a) Overview of Indian Economy:

The growth in Indian economy in the last fiscal year slipped to 6.5% which is one of the lowest annual growth in the last 9 years. The global uncertainties couple with domestic challenges, high inflation, and absence of new investments is dampening the prospects for 2012-2013. Key important business sectors such as Power, Transportation has to encounter challenges due to Government policy delays impacting the growth in the core sectors.

#### b) Future Outlook:

Inspite of poor economy with slower growth in infrastructure industry, your company has able to sustain in Industry due to re-alignment of business models, strong asset base with diversified business verticals setup by your company in Transportation, Energy, Irrigation, Mining, Building & Property development and Overseas Coal mining and power projects in Indonesia. The Company has order book around Rs.6,300 Crores and has been pre-qualified in number of EPC works over Rs.20,000 Crores in Irrigation, Highways, Railways, Power plants and Transmission line projects etc.

### Operational Performance:

#### Transportation Division:

##### a) BOT Toll based Projects:

Your company has completed 1459 lane Kms of BOT projects owned by your company and 2018 lane Kms is under progress. The performance and status of 9 BOT(Toll and Annuity) National Highway Projects are as follows:

Sl. No.	Name of the Project	No. of Lane Kms.	Name of the SPV	Status of the Project	Toll Collection/ COD
1	Bharatpur-Mahwa NH-11 - BOT Toll Basis Project	251	Madhucon Agra- Jaipur Expressways Limited	Completed	08.05.2009* (Revised Tariff w.e.f.01.07.2012)
2	Karur-Dindigul NH-7 BOT Toll Basis Project	352	TN(DK) Expressways Limited	Completed	05.11.2009
4	Thanjavur-Trichy NH-67 - BOT Toll Basis Project	288	Trichy-Thanjavur Expressways Limited	Completed	12.05.2011
3	Madurai – Tuticorin NH-45 - BOT Toll Basis Project	568	Madurai -Tuticorin Expressways Limited	Completed	02.07.2011
5	Chhapra- Hajipur NH-19 - DBFOT Annuity Basis Project	280	Chhapra-Hajipur Expressways Limited	In Progress	



6	Barasat-Krishnagar NH-34 DBFOT Annuity Basis, West Bengal	336	Barasat-Krishnagar Expressways Limited	In progress	
7	Ranchi - Jamshedpur NH-33 DBFOT Annuity Basis, Jharkhand	715	Ranchi Expressways Limited	In Progress	
8	Vijayawada-Machilipatnam NH-9 DBFOT Toll Basis Project, Andhra Pradesh	258	Vijayawada-Machilipatnam Expressways Limited	In Progress*	
9	Rajauli-Bakhtiyarpur NH-31 of BSRDCL, DBFOT Toll Basis Project, Bihar	429	Rajauli-Bakhtiyarpur Expressways Limited	In Progress*	

\* Financial closure of Vijayawada-Machilipatnam project will be completed by 15.09.2012 and for Rajauli-Bakhtiyarpur project by 31.10.2012.

Your company has participated in number of ongoing tenders.

#### ii) Item Rate Projects:

The Status of following projects are as follows:

Sl. No.	Name of the Project	No. of Lane Kms.	Status of the Project
1	Spine Road-Pimpri Chinchwad Project, PCNTDA, Pune	100	Completed
2	Guna-Fathegarh-Paron Project Road No.8, MPRDC.	307	Completed
3	Jhanjapur-Dharbanga Section NH-57, Bihar, NHAI.	168	In Progress
4	Gopalganj-Muzaffarpur, NH-28, Bihar, NHAI	190	Completed
5	Nagaon- Dharamtul, NH-37, Assam, NHAI	120	In Progress
6	Anik Panjarpole Link Road Project(APLR), MMRDA, Maharashtra	30	In Progress

#### iii) Irrigation Projects:

Your Company is executing 13 projects valued Rs.2295.66 Crores of which Rs.1778.25 Crores related to Irrigation projects of Andhra Pradesh.

#### b) Energy Projects:

i) Thermal Power Plant -Tamminapatnam, Chillakur Mandal, SPSR, Nellore District.

##### Phase - I

The EPC Contract for execution of 2x150 MW coal based being awarded by Simhapuri Energy Private Limited (SEPL) was completed and generating power with full capacity.

##### Phase - II

The EPC Contract for execution of 2x150 MW coal based being awarded by Simhapuri Energy Private Limited (SEPL) will be completed by the end of December, 2012 / January, 2013.



### c) Mining Division:

Your company has been awarded a work for removal of OB 416.46 Lakhs Cub.Mtrs and Coal 159.39 Lakhs Metric Tons valued Rs.422.06 Crores at Phularitand (BCCL) Project within the period of 7 years vide work order dated 07.02.2012.

The Work relating to removal of over burden at Jayant OCP of Northern Coal Field Limited in Singrauli has already completed.

### d) Building and Property Division:

Your company, as EPC Contractor, has undertaken the construction of Nama Hotels, Madhucon Megamall and Madhucon Heights on NH-9 at Kukatpally, APHB Colony, Hyderabad, Andhra Pradesh.

i) **Hotel:** Four Star Hotel cum Service Apartments at KPHB Colony, Hyderabad including service apartments. The construction work is in progress.

ii) **Mega Mall:** Mall with Multiplex and has integration with MRTS Station. The work is in progress.

iii) **Office Complex:** 14 storied office complex, opposite to JNTU, Kukatpally, Hyderabad. The construction work is in progress.

### e) Overseas Division:

Your Company in Consortium participated and won the bid for setting up of Mine Mouth Coal Fired 2 X150 MW Thermal Power Plant in Indonesia for generation and supply of power to PTPLN (PERSERO), Government Electricity Company of Indonesia for a period of 25 years. PPA was signed on 01.05.2012. Financial tie-up for project finance is under progress.

Your company has exploring coal mining in South Africa, Mozambique and West African countries.

### f) Oil and Gas Division:

Your Company is exploring the ways and means for identifying the concession areas of Green and Brown fields in South East Asia and Africa.

## III. Risks and Concerns:

Your company may envisage the commercial, political, legal and technological risk which may affect the business and earning potential.

## IV. Internal Control System:

Your Company has adequate system of internal control comprising of in-house Internal Audit team consisting of qualified and experienced accounting, costing and technical professionals. The internal audit team suggests various means of cost reduction and cost control measures in all resources used in the Company. The Internal Control Systems and the Reports of Internal Audit will be reviewed by the Audit Committee in consultation with the Internal Auditors and Statutory Auditors and experts in the field thereafter by Board of Directors.

## V. Organizational Restructuring:

Your Company is restructuring its organization according to Company's growth plan. The Subsidiaries of Madhucon Projects Limited are also being restructured according to growth plan of Madhucon Projects Limited. All Road SPVs are consolidated in to Road Holding Company under Madhucon Toll Highways Limited, a subsidiary of Madhucon Infra Limited.

## VI. Expansion and Diversification:

Your company is contemplating for diversification into various other sectors of infrastructure viz., Sea Ports, Air Ports, Railways including Freight Corridors, Housing and Property Development, Transmission and Distribution Systems, Coal Handling Plants, Water Treatment Plants, Sewage Treatment Plants, pipeline projects, hospitality sector etc. Your company is contemplating to enter into transmission projects and is already pre-qualified with REC and PFC.

**VII. 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 Road, Irrigation, Power, Mining, Building & Property Division as a part of corporate restructuring process and strengthening its organizational hierarchy to meet the pace of growth of your company. The industrial relation is very cordial.

**VIII Accounting Standards:**

The financial statements are prepared in accordance with the requirement of the Revised Schedule-VI of the Companies Act, 1956, which is made mandatory by MCA from the financial year 2011-12 onwards and as per the Generally Accepted Accounting Principles (GAAP) and also in accordance with the applicable accounting standards and guidance notes issued by the Institute of Chartered Accountants of India (ICAI).

**IX. Share Capital:**

The paid-up equity share capital of the Company is Rs.7,37,94,940/- consisting of 7,37,94,940 Equity Shares of Re.1/- each.

**X. Dividend:**

Your Directors are pleased to recommend an Equity Dividend of 10% (10 paise per share) on paid up equity capital for the year ended 31.03.2012, subject to approval of the members at this Annual General Meeting.

**XI. Subsidiary Companies:**

The Company has 9 (Nine) Indian Subsidiaries and 1 (One) Foreign Subsidiary as on 31.3.2012. The details of investments held by Madhucon Projects Limited in the following Subsidiary Companies are given below:

**a) INDIAN SUBSIDIARY COMPANIES:**

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	1015367045	10	10153670450	93.92
2	Madurai-Tuticorin Expressways Limited (CIN - U45203AP2006PLC050114)	11.05.2006	88561500	10	885615000	54.12
3	Madhucon Energy Limited (CIN - U45309AP2000PLC034007)	24.03.2000	100090	5	500450	99.95
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 (CIN - 40108AP2010PTC068128)	28.04.2010	6000	10	60000	60.00
8	Rudraprayag Hydro Power Private Limited (CIN - U40108AP2010PTC068130)	28.04.2010	6000	10	60000	60.00
9	Tilwara Hydro Power Private Limited (CIN - U40300AP2010PTC068127)	28.04.2010	6000	10	60000	60.00

**b) FOREIGN COMPANIES:**

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 Natural Resources Limited, Singapore (200603264W)	09.03.2006	750	S\$ 1/-	S\$ 750 (Equivalent to Rs.21036)	75.00



**c) STEP DOWN SUBSIDIARIES:**

1. Madhucon Agra-Jaipur Expressways Limited
2. TN (DK) Expressways Limited
3. Trichy-Thanjavur Expressways Limited
4. Chhapra-Hajipur Expressways Limited
5. Simhapuri Energy Private Limited
6. PT Madhucon Indonesia, Indonesia
7. Madhucon Toll Highways Limited
8. Vijayawada-Machilipatnam Expressways Limited
9. Barasat-Krishnagar Expressways Limited
10. Ranchi Expressways Limited

**XII. Consolidation of Accounts:**

In accordance with the Accounting Standards AS-21 on “Consolidated Financial Statements” and AS-23 on “Accounting for Investments in Associates in Consolidated Financial Statements” read with Accounting Standard AS-27 on “Financial Reporting of Interests in Joint Ventures”, Listing Agreement and Section 212 of the Companies Act 1956, the figures of the subsidiary companies are consolidated with figures of Madhucon Projects Limited.

The Board of Directors of the Company has by resolution given consent for not attaching the Balance Sheet of Subsidiary Companies concerned. The Company has presented the consolidated financial statements of Holding Company and all its subsidiaries in this Annual Report duly audited by its Statutory Auditors.

The Annual Accounts of the subsidiary companies and the related detailed information will be made available to shareholders of the Holding and Subsidiary Companies seeking such information 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. The Company will furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

**XIII. Transfer of Shares:**

The Investments in Road, Power and Coal Projects transferred to Madhucon Infra Limited (a Subsidiary of Madhucon Projects Limited) for segregating the investments into infrastructure development projects under separate holding entity for infusion of more capital through Public Issue/IPO/Private Placements.

**XIV. Corporate Governance:**

In terms of compliance with the requirement of clause 49(VI)(i) of Listing Agreement, a separate section titled “Corporate Governance” containing the due compliance on corporate governance is given in the Directors’ Report forming the part of this Annual Report.

In terms of compliance with the requirement of clause 49(VII) of Listing Agreement, the Auditors’ certificate confirming the compliance of the conditions of the Corporate Governance is annexed hereto which form the part of this Annual Report and the same will be sent to National and Bombay Stock Exchanges along with the Annual Report.

**XV. Directors:**

Sri. P.Madhava Rao, Independent Director who retires by rotation at this Annual General Meeting is eligible to be re-appointed as Independent Director of the Company and who has given his consent in writing to act as Independent Director, if appointed at this Annual General Meeting. The Board of Directors of the Company recommends the appointment of Sri. P. Madhava Rao, as Independent Director of the Company, in the best interest of the Company. The profile of Sri. P.Madhava Rao is given in the report of Corporate Governance.



**XVI. Directors' Responsibility Statement:**

Pursuant to the requirement u/s 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

- a) That in the preparation of annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the Directors have selected such 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.
- c) 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, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31st March 2012 on a "going concern" basis.

**XVII. Industrial Relations:**

The relations with the employees are cordial.

**XVIII. Deposits:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

**XIX. Particulars of Employees:**

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended 31st March, 2012, none of the employees of the Company was in receipt of remuneration, which exceeds the limits fixed under Section 217 (2A) of the Companies Act, 1956, except Sri.N.Seethaiah, Managing Director of the Company.

**XX. Quality Management System - AN ISO 9001- 2008:**

The Company has established a Quality Management System in Design, Execution, Operation & Maintenance of Irrigation & Water Resources Projects, Highway/ Road Projects, Power Transmission Projects, Building and Property Development Projects and Design & Execution of Power Projects and Over Burden Removal in Opencast Mining Projects in compliance with the International Quality System Standards - ISO 9001-2008. The Certificate no. IN013996 dated 06.11.2010 is valid up to 06.10.2013.

The Company is obtaining EMS-ISO 14001:2004 and OHSAS-18001:2007 registration during the year 2012-13.

**XXI. Credit Rating Under Basel-II:**

As per the "New Capital Adequacy Framework" based on Basel-II guidelines of RBI, your Company is rated by ICRA for different limits as follows:

Fund based / Non-Fund based limits **BBB+**

Short term Debt/Commercial papers **A3+**

Long term Debt/NCD **BBB+**

**XXII. Auditors:**

M/s Kota & Company, Statutory Auditors (FRN-011982S) of the Company, expressed their willingness to be re-appointed for the financial year 2012-2013 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 224(1B) of the Companies Act, 1956.





**XXIII. Information as per Sec- 217(1) (e) of The Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:**

The information as required u/s 217(1)(e) of the Companies Act, 1956 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in the annexure attached to this Report.

**XXIV. Acknowledgements:**

Your Directors express their appreciation to the Foreign Collaborators, Joint Venture Partners, Bankers, Central and State Government Authorities including National Highway Authorities of India (NHAI), Irrigation & CAD Department, Central Government, Government of various States including Andhra Pradesh, Clients, Consultants, Employees, Suppliers etc., for their continued support and encouragement from time to time.

For and on behalf of the Board

Place: Hyderabad  
Date: 28.08.2012

**N. SEETHAIAH**  
Managing Director

**S. VAIKUNTANATHAN**  
Whole-time Director



## ANNEXURE-I TO THE DIRECTORS REPROT

*(Information as per Sec- 217(1) (e) of the Companies Act, 1956 read with Companies  
(Disclosure of particulars in the Report of the Board of Directors) Rules, 1988)*

### I. 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.

### II. TECHNOLOGY ABSORPTION:

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

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rupees in Lakhs)

Particulars	2011-12	2010-11
<b>Foreign Exchange Earnings:</b>		
Interest & others	-	-
<b>Foreign Exchange Out Go:</b>		
i. Towards travelling	37.78	38.22
ii. Towards import of capital goods (CIF)	-	-
iii. Towards advance to equipment suppliers	2823.44	2981.50
iv. On account of others:		
a) Investment	1956.66	3049.85
b) Interest	48.32	396.28
v. Others	58.74	109.31

For and on behalf of the Board

Place: Hyderabad  
Date: 28.08.2012

**N. SEETHAIAH**  
Managing Director

**S. VAIKUNTANATHAN**  
Whole-time Director



## 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(I)(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 2012, 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 31.03.2012 has been set out here below.

Sl. No.	Name of the Director	Board Meetings attended during the financial year 2011-12	Meeting attended at Previous AGM held on 30.09.2011
1	Sri N. Seethaiah Managing Director	30	Yes
2	Sri S.Vaikuntanathan Whole-time Director	30	Yes
3	Sri K. Srinivasa Rao Non-Executive Director	30	Yes
4	Dr. C. Venkateshwara Rao Independent Director	30	No
5	Sri P. Madhava Rao Independent Director	20	Yes

**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	18	3	-
2	Sri S.Vaikunthanathan	Whole-time Director	1	-	-
3	Sri K.Srinivasa Rao	Non- Executive Director	19	-	-
4	Dr. C.Venkateshwara Rao	Independent Director	13	1	2
5	Sri P.Madhava Rao	Independent Director	3	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 (30) Board Meetings were held during the financial year ended 31.3.2012 on the following dates:

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
13.04.2011	07.07.2011	10.10.2011	04.01.2012
16.04.2011	27.07.2011	29.10.2011	18.01.2012
29.04.2011	30.07.2011	31.10.2011	30.01.2012
24.05.2011	16.08.2011	14.11.2011	04.02.2012
25.05.2011	30.08.2011	12.12.2011	13.02.2012
30.05.2011	15.09.2011	19.12.2011	01.03.2012
21.06.2011		28.12.2011	12.03.2012
			16.03.2012
			20.03.2012
			31.03.2012

**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 respectively 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 Dr. C.Venkateshwara Rao, Independent Director as Chairman, Sri.P.Madhava 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 5(Five) times during the financial year under review, on 29.04.2011, 30.07.2011, 30.08.2011, 14.11.2011 and 13.02.2012 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	Dr.C.Venkateshwara Rao	Chairman	5
2	Sri. P Madhava Rao	Member	5
3	Sri. K.Srinivasa Rao	Member	5

Whole Time Director, Head of Internal Auditors 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 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, 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 14.11.2011 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 2012 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	Nil	Nil	Nil	60,00,000
2	Sri S. Vaikuntanathan Whole-Time Director	1,95,000 (01-04-2011 to 13.11.2011)  2,45,000 (14.11.2011 to 31.03.2012)	Nil	Nil	Nil	25,68,333

**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:**

Ms. Nutan Singh, 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:**

During the financial year under review, the Company has received 19 complaints from Shareholders, disposed off is 19 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 met 4 (Four) times during the year on 29.04.2011, 30.06.2011, 14.11.2011 and 13.02.2012 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	1009000	1.37
2	Dr. C. Venkateshwara Rao	Independent	Nil	Nil
3	Sri P. Madhava Rao	Independent	Nil	Nil

**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/ approved
21st AGM (2010-2011)	30.09.2011, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam- 507003	1. Amendment of Unpaid Dividend Clause in Articles of Association 2. Insert Nomination Clause in Articles of Association 3. Insert Dematerialization of Securities Clause in Articles of Association 4. Amendment of Attorney of the Company Clause in Articles of Association 5. Issue of Further Securities



20th AGM (2009-10)	30.09.2010, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam- 507003	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- 507003	No

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

No Special resolution was passed through Postal Ballot during 2011-2012. 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 31.3.2012. 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 31.3.2012.

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 un-audited financial results of the Company will be published in the leading daily newspaper within 45 days from of 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 2012	11th August, 2012
2nd Quarter ended 30th September 2012	14th November, 2012
3rd Quarter ended 31st December 2012	14th February, 2013
4th Quarter ended 31st March 2013	14th May, 2013

**ii. Newspapers wherein results normally published:**

The un-audited financial 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 results and shareholding pattern will also be posted on SEBI's Corporate Filing & Dissemination System (CFDS) website [www.corpfiling.co.in](http://www.corpfiling.co.in). and also placed in Company's website [www.madhucon.com](http://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 31.03.2012:

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	1015367045*	10	10153670450	93.92
2	Madurai-Tuticorin Expressways Limited (CIN - U45203AP2006PLC050114)	11.05.2006	88561500	10	885615000	54.12
3	Madhucon Energy Limited (CIN - U45309AP2000PLC034007)	24.03.2000	100090	5	500450	99.95
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7	Agastyamuni Hydro Power Private Limited (CIN - U40108AP2010PTC068128)	28.04.2010	6000	10	60000	60.00
8	Rudraprayag Hydro Power Private Limited (CIN - U40108AP2010PTC068130)	28.04.2010	6000	10	60000	60.00
9	Tilwara Hydro Power Private Limited (CIN - U40300AP2010PTC068127)	28.04.2010	6000	10	60000	60.00

\* Excludes Share application money of Rs. 155.66 Crores to Madhucon Infra Limited.

### ii) Madhucon Projects Limited Investments in Equity of Foreign Subsidiary Companies as on 31.03.2012:

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%



**iii) Madhucon Projects Limited Investments in Equity of Group Companies (other than subsidiaries) as on 31.03.2012:**

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	27.59
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	0.01
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 (CIN - U45209AP2010PLC068742)	02.06.2010	100000	10	1000000	0.17
9	Simhapuri Energy Private Limited (CIN - U40101AP2005PTC048264)	02.12.2005	10000	10	100000	0.01
10	Rajanagaram Gas Power Private Limited (CIN - U40108AP2010PTC066560)	05.01.2010	488080	10	4880800	13.56
11	Ramnagar Power Private Limited (CIN - U40108AP2010PTC071246)	16.11.2010	10000	10	100000	50.00
12	Barasat-Krishnagar Expressways Ltd (CIN - U45203AP2011PLC073469)	24.03.2011	14000	10	140000	0.04
13	Ranchi Expressways Limited (CIN - U45209AP2011PLC073568)	29.03.2011	14000	10	140000	0.02
14.	Vijayawada – Machilipatnam Expressways Limited (CIN - U45209AP2011PLC077676)	28.11.2011	8000	10	80000	8.00

**iv) Madhucon Projects Limited Investments in Equity of Foreign Group Companies (other than subsidiary) as on 31.03.2012:**

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.72271700)	10.00

**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 (NSE), and Bombay Stock Exchange (BSE), Luxembourg Stock Exchange along with Annual Report of the Company.

**12. GENERAL SHAREHOLDER INFORMATION:**

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

Date : 29th September, 2012  
Day : Saturday  
Time : 3:00 PM  
Venue : Regd. 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:**

25th September 2012 to 29th September 2012 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared for the financial year ended 31st March, 2012. 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 28th October, 2012

**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 2011-2012:**

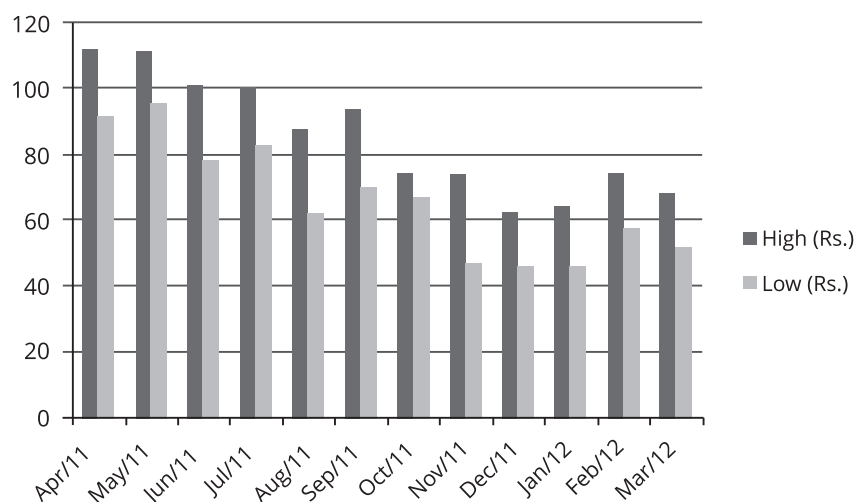
High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE Stock Exchanges during the 12 months period ended 31st March 2012 are as under-

**A) BSE**

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2011	112	91.95	468300	8756
May 2011	111	95.55	130209	2222
June 2011	101	78.1	219393	5672
July 2011	100	82.5	53520	1546
August 2011	87.2	61.95	160385	4396
September 2011	93.9	70	66637	1921
October 2011	74	67	178852	2667
November 2011	73.5	47	62053	2401
December 2011	62.5	46	182895	4593
January 2012	63.9	46.1	255181	4741
February 2012	74	57.55	454318	6973
March 2012	68.6	51.05	263264	4280

**B) NSE**

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2011	111.30	92.00	1835802
May 2011	112.00	98.00	692456
June 2011	100.85	78.10	1031846
July 2011	91.00	84.35	157486
August 2011	88.00	61.55	1515158
September 2011	88.00	68.05	201565
October 2011	73.80	66.00	651246
November 2011	70.50	47.00	306299
December 2011	62.45	43.65	2915734
January 2012	63.90	48.00	744282
February 2012	73.90	57.10	1154307
March 2012	68.00	51.00	602009

**Share Price Movement Diagram:**

**viii) Registrar and Transfer Agents (RTA):**

Karvy Computershare Private Limited  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur, Hyderabad-500081

Phone No.: 040-23420818 Fax: 040-23420814

E-mail: varghese@karvy.com

Contact Person Name & Designation: Mr. P.A. Varghese - General Manager

**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, 2012**

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Share Amount	
		%	In Rs.	%
1 - 5,000	10677	98.179314	2794196	3.786433
5,001 - 10,000	77	0.708046	594231	0.805246
10,001 - 20,000	40	0.367816	590390	0.800041
20,001 - 30,000	18	0.165517	443650	0.601193
30,001 - 40,000	6	0.055172	197908	0.268186
40,001 - 50,000	7	0.064368	308162	0.417592
50,001 - 1,00,000	8	0.073563	541152	0.733319
1,00,001 - Above	42	0.386207	68325251	92.587989
<b>TOTAL</b>	<b>10875</b>	<b>100.00</b>	<b>73794940</b>	<b>100.00</b>

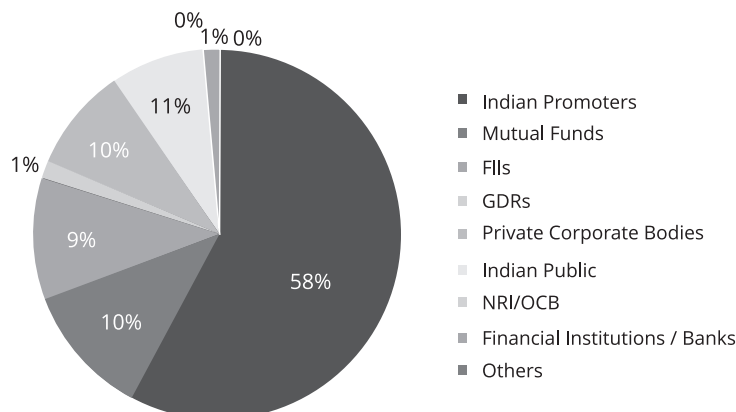

**B) SHAREHOLDING PATTERN AS ON 31ST MARCH 2012:**

Shareholding Pattern for the Quarter ending 31st March 2012 in terms of Clause 35 of Listing Agreement is as follows:

Category	Sub Category	No. of Shareholders	No. of Shares	% of Shares
<b>A) Promoter's Shareholding</b>	<b>Indian Promoters</b>			
	a) Individuals/ Hindu Un-dividend family	20	30278600	41.03
	b) Bodies Corporate	3	12406033	16.81
	c) Foreign Promoters	0	0	0
	d) Persons acting in Concert	0	0	0
	<b>Total Promoters Shareholdings (A)</b>	<b>24</b>	<b>42549038</b>	<b>57.66</b>
<b>B) Public Shareholding</b>	<b>1) Institutions</b>			
	a) Mutual Funds/ UTI	4	7709746	10.45
	b) Financial Institutions/Banks	1	452000	0.61
	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	20	6539773	8.86
	g) Foreign Venture Capital Investors	0	0	0
	<b>2) Non- Institutions</b>			
	a) Bodies Corporate	342	7271322	9.85
	b) Individual Shareholders holding:			
	i) Nominal share capital upto Rs.1 Lakh.	10285	4003750	5.43
	ii) Nominal share capital in excess of Rs.1Lakh	8	3932449	5.33
	c) NRI/OCB	153	103638	0.14
	d) Trust	1	3000	0.00
	e) Clearing Members	35	10229	0.01
	f) Foreign Bodies-DR	2	35000	0.05
	<b>Total Public Shareholding (B)</b>	<b>10851</b>	<b>30060907</b>	<b>40.73</b>
<b>C) Shares held by Custodians and against which Depository Receipts have been issued</b>	Duetches Bank Trust Company Americas – GDR's	1	1049400	1.42
	<b>Total ( C )</b>	<b>1</b>	<b>1049400</b>	<b>1.42</b>
	<b>Grand Total: (A)+(B)+(C)</b>	<b>10875</b>	<b>73794940</b>	<b>100.00</b>



## SHAREHOLDING DISTRIBUTION



### C) Top Shareholders as on 31st March 2012:

	Category	Name	No. of Shares	% of Shares
<b>A</b>	<b>Promoter's Holding (holding more than 1%)</b>			
	<b>Individuals</b>	NAMA NAGESWAR RAO	10147000	13.75
		NAMA CHINNAMMA	6158000	8.34
		SEETHAIAH NAMA	6001800	8.13
		NAMA KRISHNAIAH	2601800	3.53
		NAMA PRITHVI TEJA	993000	1.35
		KAMMA SRINIVASA RAO	954000	1.29
	<b>Bodies Corporate</b>	MADHUCON GRANITES LIMITED	8044000	10.90
		NAMA INVESTMENTS LIMITED	3633500	4.92
		<b>Total (A)</b>	<b>38533100</b>	<b>52.21</b>
<b>B</b>	<b>Public shareholding (holding more than 1%)</b>			
<b>B1</b>	<b>Institutional Investors</b>			
	a) Mutual Funds	1) RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	4835792	6.55
		2) SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	2381501	3.23
	b) Foreign Institutional Investors:	1) COPTHALL MAURITIUS INVESTMENT LIMITED	4300672	5.83
		2) CREDIT SUISSE (SINGAPORE) LIMITED	781499	1.06
<b>B2</b>	<b>Non-Institutions</b>			
		1) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	4346222	5.89
		2) MAX NEW YORK LIFE INSURANCE COMPANY LIMITED A/C -	763498	1.03
<b>B3)</b>	<b>Individual</b>	ASHISH DHAWAN	1794999	2.43
		<b>Total (B1 + B2 +B3)</b>	<b>19204183</b>	<b>26.02</b>

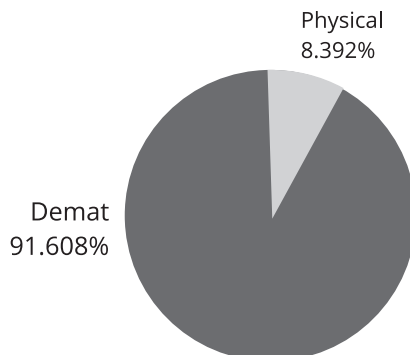




**xi. Dematerialization of shares and liquidity:**

67,60,2330 Equity Shares equivalent to 91.608 % of the total equity share capital have been de-materialized and 6192610 are in physical form equivalent to 8.392% as on 31st March 2012.

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:**

10,49,400.

**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 Transfer Agent of the Company.

**Karvy Computershare Private Limited**

Plot No. 17-24, VittalRao Nagar

Madhapur, Hyderabad-500081

Phone No.: 040-23420815-24 Fax: 040-23420814

E-mail: varghese@karvy.com

Contact Person Name& Designation: Mr. P.A. Varghese - General Manager

For any quires 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 Stock Exchanges within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2012-2013.

**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 2012.

**16. Secretarial Audit:**

Quarterly Secretarial Audit 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.

**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.)
2010-2011	Interim	--	---	----
	Final	25	0.25	18448735
2009-2010	Interim	---	---	---
	Final	40	0.80	29517976
2008-2009	Interim	---	---	---
	Final	40	0.80	29517976

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

**18. Directors retiring by rotation:****Sri P. MadhavaRao, Independent Director**

Sri P. MadhavaRao, aged 53 years, is an eminent Advocate with two decades as Practicing Lawyer.

**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



## 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, Director (Finance)/ 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: 28.08.2012

**S. VAIKUNTANATHAN**  
Director-Finance / Whole-time Director

**N. SEETHAIAH**  
Managing 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 Exchanges 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, 2012.**

Particulars	Clause of Listing Agreement	Compliance Status
<b>I. Board of Directors</b>	<b>49 (I)</b>	
(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
<b>II. Audit Committee</b>	<b>49(II)</b>	
(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
<b>III. Subsidiary Companies</b>	<b>49(III)</b>	Yes
<b>IV. Disclosures</b>	<b>(49(IV))</b>	
(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
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	Yes
<b>VI. Report on Corporate Governance</b>	<b>49(VI)</b>	Yes
<b>VII. Compliance</b>	<b>49(VII)</b>	Yes

For and on behalf of the Board

Place: Hyderabad  
Date: 28.08.2012

**N.SEETHAIAH**  
Managing Director



### **Auditors' 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 2012 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 2012, 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: 28.08.2012

**K.S.R.K. Prasad**

PARTNER

M.No. 022964



**GROUP:**

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 Vijayawada-Machilipatnam Expressways Limited (SPV)
20. M/s Rajauli-Bakhtiyarpur Expressways Limited (SPV)
21. M/s Madhucon Energy Limited
22. M/s Simhapuri Energy Private Limited
23. M/s Umarwada Gas Power Project Private Limited
24. M/s Rajanagaram Gas Power Private Limited
25. M/s Agastyamuni Hydro Power Private Limited
26. M/s Rudraprayag Hydro Power Private Limited
27. M/s Tilwara Hydro Power Private Limited
28. M/s Pallakurichi Power Private Limited
29. M/s Tiruchendur Power Private Limited
30. M/s Ramnagar Power Private Limited
31. M/s Madhucon Mineral Resources Limited
32. M/s Madhucon Estates Limited
33. M/s Madhucon Land Developers Limited
34. M/s Madhucon Properties Limited
35. M/s Madhucon Heights Private Limited
36. M/s Madhucon Infotech Limited
37. M/s Madhucon Natural Resources Limited, Singapore
38. M/s PT Madhucon Indonesia, Indonesia
39. M/s PT Madhucon Sriwijaya Power, Indonesia