

## **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. COMPANY'S PHILOSOPHY ON CORPORATE 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. 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(II) (A) of Listing Agreement, the Company endeavor to have an optimum combination of Executive and Non-Executive Director with one woman director to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees.

As on 31<sup>st</sup> March 2015, the Board consist of 5 (Five) Directors. There is 1(One) Managing Director, 1(One) Whole-time Director and 3(Three) Non-Executive Independent Directors including 1 (One) Woman Director.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2015 has been set out here below:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Board Meetings attended during the financial year (2014-2015)</b>	<b>Attendance at previous AGM held on 27.09.2014</b>
1	Sri N. Seethaiah Managing Director	19	Yes
2	Sri K. Srinivasa Rao Whole-time Director	19	No
3	Sri Kandimalla KVN Prasad Independent Director	3	Yes
4	Sri P. Madhava Rao Independent Director	19	No
5	Smt. Ch. Lakshmi Kumari Independent Director	13	Yes

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2015 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee Chairmanship in other Companies
1	Sri N. Seethaiah	Managing Director	12	5	1
2	Sri K. Srinivasa Rao	Whole-time Director	16	5	3
3	Sri. Kandimalla KVN Prasad	Independent Director	4	2	2
4	Sri P. Madhava Rao	Independent Director	3	1	---
5	Smt. Ch. Lakshmi Kumari	Independent Director	1	1	---

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

The Board met 19 (Nineteen) times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
515	02.04.14	519	01.07.14	525	08.10.14	530	23.01.15
516	12.04.14	520	17.07.14	526	15.10.14	531	14.02.15
517	30.05.14	521	09.08.14	527	14.11.14	532	03.03.15
518	03.06.14	522	21.08.14	528	25.11.14	533	26.03.15
		523	03.09.14	529	26.12.14		
		524	25.09.14				

The Company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The Company has video conferencing facilities to enable director's participation at board meetings. Detailed agenda notes are sent to the directors. All the information required for decision making are provided in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Chair Person and the Managing Director appraise the Board on the overall performance of the Company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Company secretary, Chairman and Managing Director regarding compliances of all laws on a quarterly basis

### **3. AUDIT COMMITTEE:**

#### **i. Brief description of terms of reference:**

In terms of compliance with the requirement of clause 49(III) 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(III)(C) and 49(III)(D) of the Listing Agreement respectively read with Section 177 of the Companies Act, 2013.

#### **ii. Composition, Name of Members and Chairperson:**

The Audit Committee was re-constituted on 14.11.2014 and comprised of the following directors as on 31<sup>st</sup> March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Smt. Ch. Lakshmi Kumari, Woman Independent Director as Member
3. Sri N. Seethaiah, Managing Director as Member

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

In terms of compliance with the requirement of clause 49(III)(B) of Listing Agreement, the Audit Committee met 4 (Four) times during the financial year under review, on 30.05.2014, 09.08.2014, 14.11.2014, and 14.02.2015 and the attendance of the members of the Audit Committee as recorded is as under:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Status</b>	<b>No. of meetings attended</b>
1	Sri N. Seethaiah*	Member	2
2	Smt. Ch. Lakshmi Kumari*	Member	2
3	Sri Kandimalla KVN Prasad*	Chairman	1
4	Dr. C. Venkateswara Rao**	Chairman	2
5	Sri P. Madhava Rao**	Member	2
6	Sri K. Srinivasa Rao**	Member	2

\* Appointed w.e.f.14.11.2014

\*\*Ceased w.e.f.14.11.2014 consequent to reconstitution of Audit Committee.

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

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

#### **4. NOMINATION AND REMUNERATION COMMITTEE:**

##### **i. Brief description of terms of reference:**

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

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

##### **ii. Composition and Role of Nomination and Remuneration Committee:**

Remuneration Committee has been reconstituted as Nomination and Remuneration Committee on 14.11.2014 comprised of the following non-executive independent directors as on 31<sup>st</sup> March 2015:

- 1) Smt. Ch. Lakshmi Kumari, Woman Independent Director as Chairperson
- 2) Sri. Kandimalla KVN Prasad, Independent Director as Member
- 3) Sri. P Madhava Rao, Independent Director as Member

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

##### **iii. Attendance during the year:**

The Nomination and Remuneration Committee met 1 (One) time, during the financial year under review, on 14.02.2014 and approved the Remuneration Policy. The attendance of the meeting by the members of the Committee as recorded is as under:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Position</b>	<b>No. of meetings Attended</b>
1	Smt. Ch. Lakshmi Kumari	Chairperson	1
2	Sri. Kandimalla KVN Prasad	Member	1
3	Sri. P Madhava Rao	Member	1

##### **iv. Remuneration Policy:**

The Policy provides for the following:

- a) attract, recruit, and retain good and exceptional talent;
- b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

- c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

#### **Criteria for performance evaluation as laid down by nomination committee**

The performance of Directors is evaluated by the Board (excluding the Director being evaluated) on the following criteria, as laid down by the Nomination and Remuneration Committee.

#### **Evaluation Criteria:**

- Active Participation in Board discussions and deliberations
- Contribution to development of strategy and risk management
- Guidance on corporate strategy, risk policy, corporate governance practices
- Independence and unbiased decisions/opinions etc.

#### **v. Details of Remuneration to Executive Directors:**

Of the total 5 (Five) directors, 2 (Two) are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non-executive directors do not draw any remuneration/ sitting fees from the Company for attending the meetings of the board and the committees. Details of Remuneration of the executive Directors for the financial year 2014-2015 are as follows:

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

#### **vi. Details of shareholding of Directors as on 31<sup>st</sup> March 2015:**

As on 31<sup>st</sup> March 2015, the Company had 2 (Two) executive directors and 3 (Three) non-executive directors, the two executive directors hold equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

Sl. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Sri. Nama Seethaiah	Managing Director	6001800	8.13%
2	Sri. Kamma Srinivasa Rao	Whole-time Director	1009000	1.37%
3	Sri Kandimalla KVN Prasad	Independent Director	Nil	Nil
4	Sri. P. Madhava Rao	Independent Director	Nil	Nil
5	Smt. Ch. Lakshmi Kumari	Independent Director	Nil	Nil

## **5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

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

### **i. Composition of the Committee:**

The Stakeholders' Relationship Committee was constituted on 14.11.2014 comprised of the following directors as on 31<sup>st</sup> March 2015:

1. Sri Kandimalla KVN Prasad, Independent Director as Chairman
2. Sri P Madhava Rao, Independent Director as Member
3. Sri K Srinivasa Rao, Whole-time Director as Member

### **ii. Name and Designation of Compliance Officer:**

Mrs. C. Bharathi, the Company Secretary has been designated as the Compliance Officer of the Company.

### **iii. Number of Shareholders' Complaint received during the year under report:**

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. During the period under review, the Company has received 37 Complaints from Shareholders and disposed of 37 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](mailto:cs@madhucon.com) for the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering and redressal of complaints by investors / shareholders.

**vii. Attendance during the year:**

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 30.05.2014, 09.08.2014, 14.11.2014 and 14.02.2015 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 Kandimalla KVN Prasad*	Chairman	1
2	Sri K. Srinivasa Rao	Member	4
3	Dr. C.Venkateswara Rao**	Member	1
4	Sri P. Madhava Rao	Member	4

\*Appointed w.e.f.14.11.2014

\*\* Ceased w.e.f.14.11.2014

**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
24 <sup>th</sup> AGM(2013-2014)	27.09.2014 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1) Renewal of Borrowing Limits and creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013
23 <sup>rd</sup> AGM(2012-2013)	28.09.2013, 3.00PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
22 <sup>nd</sup> AGM (2011-2012)	29.09.2012, 3.00PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Issue of Further Securities.

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

One Special Resolution was passed in the Annual General Meeting for the financial year 2013-14 through E-Voting for Renewal of Borrowing Limits and Creation of Charge/Mortgage as per Section 180(1)(c) & (a) of the Companies Act, 2013.

**iv. Meeting of Independent Directors**

A separate meeting of the Independent Directors of the Company was held on 14.02.2015 at the Corporate Office without the presence of Executive Directors to review the performance of non-Independent Directors and the Board as a whole.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such Familiarisation programme are disseminated on the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

## **7. DISCLOSURES:**

In terms of compliance with the requirement of clause 49(VIII)(A), 49(VIII)(B) and 49(VIII)(C) of Listing Agreement, the Company complies with the requirement relating to related party transactions, accounting treatment, remuneration to directors as specified therein wherever required. The clause 49(VIII)(I) 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 31.03.2015. Similarly, clause 49(VIII)(C) 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 31.03.2015.

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

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

The Company has also formulated a policy for determining the Material RPT and the details of such policy for dealing with RPT are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

### **ii. 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**

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/employees who avail of the mechanism. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id. [whistleblower@madhucon.com](mailto:whistleblower@madhucon.com). The key directions/actions will be informed to the Managing Director of the Company.

### **iv. The Managing Director and the Chief General Manager have issued certificate pursuant to the provisions of Clause-49 of Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.**



- v. 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.

vi. **Subsidiary Companies:**

The financials of all the subsidiary companies have been duly reviewed by the audit committee. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding Company. The Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policy are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

vii. **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.

- viii. The Company has adhered to all the mandatory requirements of corporate Governance norms as prescribed in Clause 49 of the Listing Agreement

ix. **Code of Conduct for the Board of Directors and the Senior Management**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. The Board of Directors has adopted a code of conduct for all Board members and senior management of the Company and affirmed its compliance on annual basis for the Financial Year ended 31<sup>st</sup> March 2015. In terms of compliance with the requirement of clause 49(II)(E) of Listing Agreement are disseminated in the website of the Company under the following link:

<http://www.madhucon.com/corporate/investors.html>

## **8. SHAREHOLDER'S COMMUNICATION:**

- i. The quarterly financial provisional un-audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarter and fourth quarter duly audited within 60 days as per the Clause-41 Listing Agreement.

The financial calendar events of 2014-15 relating to quarterly un-audited financial results are as follows:

<b>Financial Reporting for the :</b>	
1 <sup>st</sup> Quarter ended 30 <sup>th</sup> June 2014	09 <sup>th</sup> August, 2014
2 <sup>nd</sup> Quarter ended 30 <sup>th</sup> September 2014	14 <sup>th</sup> November, 2014
3 <sup>rd</sup> Quarter ended 31 <sup>st</sup> December 2014	14 <sup>th</sup> February, 2015
4 <sup>th</sup> Quarter ended and financial year 31 <sup>st</sup> March 2015	30 <sup>th</sup> May, 2015

- ii. The financial provisional un-audited results are published in a leading daily newspaper in English and in Regional language having nationwide circulation viz. Financial Express and Andhra Prabha and are disseminated in the website of the Company under the following link: <http://www.madhucon.com/corporate/investors.html>
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in <https://www.connect2nse.com/LISTING/> and to Bombay Stock Exchange in <http://listing.bseindia.com/>
- iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.
  - i. The Company from time to time made the presentations through video conference to institutional investors and/or to the analysts.

## **9. GENERAL SHAREHOLDER INFORMATION:**

### **i) AGM: Date, Time and Venue:**

Date : 30<sup>th</sup> September, 2015  
Day : Wednesday  
Time : 3:00 PM  
Venue : Regd. Office: Madhu Complex, 1-7-70, Jublipura,  
Khammam-507 003, Telangana

### **ii) Financial Year:**

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

### **iii) Date of Book Closure:**

The Share Transfer Register will be closed from 24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared for the financial year ended 31<sup>st</sup> March, 2015. 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 25<sup>th</sup> October, 2015

### **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 2014-2015:**

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 31<sup>st</sup> March 2015 are as under-

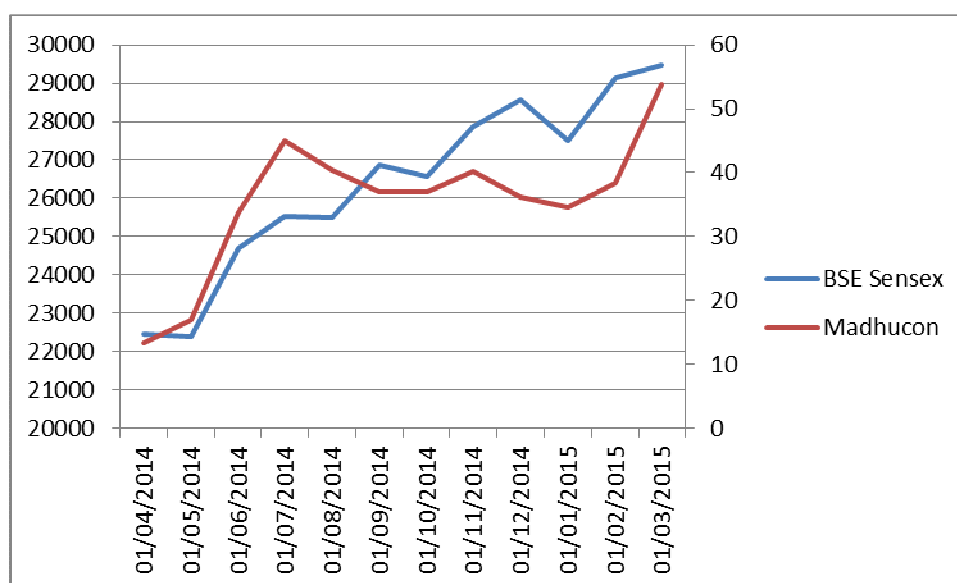
**A) BSE:**

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2014	20.17	13.00	4004023	10703
May 2014	36.05	15.02	2906647	14662
June 2014	52.03	33.85	3018113	12417
July 2014	47.15	36.95	625409	4360
August 2014	43.15	35.50	1180662	9048
September 2014	50.05	33.70	2046756	17521
October 2014	41.05	32.30	1245925	5528
November 2014	44.80	35.15	1113779	14094
December 2014	39.95	28.15	1557205	20740
January 2015	38.50	32.45	923364	14457
February 2015	56.90	34.60	2798765	38520
March 2015	64.65	48.80	2737820	31776

**B) NSE:**

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2014	20.15	13.20	1,08,11,220
May 2014	36.15	15.70	89,54,469
June 2014	52.30	33.85	59,42,370
July 2014	47.50	36.60	18,03,505
August 2014	43.25	34.25	25,63,958
September 2014	50.10	33.45	49,54,263
October 2014	41.15	32.20	29,48,492
November 2014	44.55	35.10	27,07,185
December 2014	39.75	27.95	39,98,696
January 2015	38.25	32.15	27,68,284
February 2015	56.80	34.50	91,11,315
March 2015	64.70	49.20	83,44,955

**viii) Performance of the Madhucon Projects Limited Equity Shares relative to BSE Sensex Indices during the FY 2014-15**



**ix) Registrar and Transfer Agents:**

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

E-mail: [madhusudhan@karvy.com](mailto:madhusudhan@karvy.com)

Contact Person Name & Designation: Mr. M.S. Madhusudhan, General Manager

**x) Share Transfer System:**

All the Share Transfers that are received will be processed by the Registrar and Share Transfer Agents (RTA) and approved and registered by the Board of Directors within 15 days from the date of lodgment and de-mat requests are normally confirmed within an average period of 15 days from the date of lodgment for transfer.

**xi) Others:**

Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the Company.

It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.

Shareholders holding shares in physical form, who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form No. SH.13. the form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend payments.

**xii) A) Distribution of Shareholding as on 31<sup>st</sup> March, 2015**

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	12259	95.68	5526446.00	7.49
5,001 - 10,000	225	1.76	1711300.00	2.32
10,001 - 20,000	149	1.16	2141168.00	2.90
20,001 - 30,000	56	0.44	1424437.00	1.93
30,001 - 40,000	20	0.16	672750.00	0.91
40,001 - 50,000	23	0.18	1026587.00	1.39
50,001 - 1,00,000	38	0.30	2660119.00	3.60
1,00,001 - Above	42	0.33	58632133.00	79.45
<b>TOTAL</b>	<b>12812</b>	<b>100.00</b>	<b>73794940.00</b>	<b>100.00</b>

**B) Shareholding Pattern as on 31<sup>st</sup> March 2015 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	17	31028595	42.05
	b) Bodies Corporate	3	12416943	16.83
	c) Foreign Promoters	0	0	0
	d) Persons acting in Concert	0	0	0
	<b>Total Promoters Shareholdings (A)</b>	<b>20</b>	<b>43445538</b>	<b>58.88</b>
<b>B) Public Shareholding</b>	<b>1) Institutions</b>			
	a) Mutual Funds/ UTI	4	3438221	4.66
	b) Financial Institutions/Banks	2	7505	0.01
	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	2	354780	0.48
	g) Foreign Venture Capital Investors	0	0	0
	<b>2) Non- Institutions</b>			
	a) Bodies Corporate	361	6776296	9.18
	b) Individual Shareholders holding:			
	i) Nominal share capital up to Rs.1 Lakh.	12178	12403717	16.81
	ii) Nominal share capital in excess of Rs.1 Lakh	13	6778864	9.19
	c) NRI	177	354644	0.48
	d) Trust	1	6000	0.00
	e) Clearing Members	51	100039	0.14
	f) Foreign Bodies-DR	2	105336	0.14

	<b>Total Public Shareholding (B)</b>	<b>12791</b>	<b>30325402</b>	<b>41.09</b>
<b>C) Shares held by Custodians and against which depository receipts have been issued</b>	Deutsche Bank Trust Company Americas – GDR's	1	24000	0.03
	<b>Total ( C )</b>	<b>1</b>	<b>24000</b>	<b>0.03</b>
	<b>Grand Total: (A)+(B)+(C)</b>	<b>12812</b>	<b>73794940</b>	<b>100.00</b>

**C) Top Shareholders as on 31<sup>st</sup> March 2015 holding more than 1%**

<b>Category</b>	<b>Name</b>	<b>No. of Shares</b>	<b>% of Shares</b>
<b>A) Promoter's Holding</b>			
<b>Individuals</b>	Nama Nageswar Rao	10732262	14.54
	Nama Chinnamma	6158000	8.34
	Seethaiah Nama	6001800	8.13
	Nama Krishnaiah	2676183	3.63
	Nama Prithvi Teja	1001500	1.36
	Kamma Srinivasa Rao	1009000	1.37
<b>Bodies Corporate</b>	Madhucon Granites Limited	8044000	10.90
	Nama Investments Limited	3644410	4.94
	<b>Total (A)</b>	<b>39267155</b>	<b>53.21</b>
<b>B) Public Shareholding</b>			
<b>B1) Institutional Investors</b>			
a) Mutual Funds	Sundaram Mutual Fund A/c Sundaram Select Microcap Series VI	1020000	1.38
	Sundaram Mutual Fund A/C Sundaram Select Microcap Series V	934637	1.27
	Sundaram Mutual Fund A/C Sundaram Select Microcap Series VII	827962	1.12
<b>B2) Non Institutions</b>	ICICI Prudential Life Insurance Company Ltd	2958692	4.01
<b>B3) Individual</b>	1) Chandra Singh Lodha	2523387	3.42
	2) Ashish Dhawan	1794999	2.43
	<b>Total (B1 + B2 +B3)</b>	<b>10059677</b>	<b>13.63</b>

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

7,35,36,680 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,58,260 are in physical form equivalent to 0.35% as on 31<sup>st</sup> March 2015.

Trading of equity shares in Demat Form is made compulsory with effect from 1<sup>st</sup> 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.

<b>Electronic/Physical</b>	<b>No of Shares held</b>	<b>% of Capital</b>
NSDL	53764356	72.86
CDSL	19772324	26.79
Physical	258260	0.35
Total	73794940	100.00

Shareholders are requested to convert their physical holding to demat /electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities

- xiv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No outstanding instruments.
- xv. Plant Locations – Not applicable since the Company is not engaged in manufacturing activities.
- xvi. **Address for Investors Correspondence:**

For any assistance in respect of status on Dematerialization of Shares, Transfer, Transmission, Transposition, Issue of Duplicate Certificates, Change of Address etc., members are requested to contact the following Registrar and Transfer Agent of the Company.

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

E-mail: [madhusudhan@karvy.com](mailto:madhusudhan@karvy.com)

Contact Person Name & Designation: Mr. M.S.Madhusudhan, General Manager

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](mailto:cs@madhucon.com)

**10. LISTING FEES:**

Listing fee has been paid to Stock Exchanges within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2015-2016.

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

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

**12. RECORD OF DIVIDEND FOR THE PAST THREE YEARS:**

Year	Type of Payment	Rate in %	Amount per Share(Rs.)	Total Amount(Rs.)
2013-2014	Final	20	0.20	14758988
2012-2013	Final	10	0.10	7379494
2011-2012	Final	10	0.10	7379494

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

In terms of compliance with the requirements of clause 49(II)(E)(2) 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: 14.08.2015

**N. Seethaiah**  
**Managing Director**  
**(DIN-00784491)**



#### **14. CEO / CFO Certification:**

In terms of compliance with the requirements of clause 49(IX) of the Listing Agreement, Sri N. Seethaiah, Managing Director as CEO and S.A Mushtaq, CGM (F&A) of the Company certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. That the Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violates of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal control if any of which we are aware and steps that we have taken or proposed to take to rectify these deficiencies.
- D. Further, we have indicated to the Auditors and the Audit Committee
1. Significant changes in internal control over financial reporting during the year, wherever applicable;
  2. Significant changes in accounting policies during the year and correct information has been disclosed in the notes to the financial statements, wherever applicable and
  3. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in Company's internal control system over financial reporting, wherever applicable.

Place: Hyderabad  
Date: 14.08.2015

**S.A. Mushtaq**  
**Chief General Manager**  
**Finance & Accounts**

**N. Seethaiah**  
**Managing Director**  
**(DIN-00784491)**

## **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, Telangana for the year ended 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015, no Investor Grievances are pending against the Company as per the records maintained by the Company Registrar & Transfer Agents and SEBI SCORES 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

**K.S.R.K. Prasad**  
PARTNER  
Membership No.022964

Place: Hyderabad  
Date: 14.08.2015