

## ANNEXURE VIII

**REPORT ON CORPORATE GOVERNANCE**

In Compliance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company sets forth the report on the Corporate Governance on the matters as mentioned in the said schedule and practices followed by the company.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large it is imperative that our Company's affairs are managed in a fair and transparent manner. We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

**2. BOARD OF DIRECTORS:****i. Composition and Category of the Directors as on 31<sup>st</sup> March, 2018**

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

As on 31st March 2017, the Board consist of 6 (Six) Directors. There is 1(One) Managing Director, 2(Two) Whole-time Director and 2 (Two) Non-Executive Independent Directors including 1 (One) Woman Director.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2018 has been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2017-2018)	Attendance at previous AGM held on 23.09.2017
1	Sri N. Seethaiah, Managing Director	12	Yes
2	Sri K. Srinivasa Rao, Whole-time Director	12	No
3	Sri. Mohammad Shafi, Whole-time Director	12	No
4	Sri P. Madhava Rao, Independent Director	12	Yes
5	Smt. Ch. Lakshmi Kumari, Independent Director	01	No

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2018 is given below:

Sl. No.	Name of the Director	Position	No. of Directorships in other Companies	Committee Membership in other Companies	Committee in Chairmanship other Companies
1	Sri N. Seethaiah	Managing Director	8	5	1
2	Sri K. Srinivasa Rao	Whole-time Director	13	5	3
3	Sri. Mohammad Shafi	Whole-time Director	0	0	2
4	Sri P. Madhava Rao	Independent Director	3	1	0
5	Smt. Ch. Lakshmi Kumari	Independent Director	4	1	0



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

The Board met 13 (Thirteen) times during the financial year 2017-2018. 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
567	03.05.2017	570	05.07.2017	573	13.11.2017	574	05.01.2018
568	20.05.2017	571	11.08.2017			575	22.01.2018
569	30.05.2017 (adjourned)	572	09.09.2017			576	12.02.2018
569	03.06.2017					577	05.03.2018
						578	12.03.2018

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

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

**3. AUDIT COMMITTEE:**

i. Brief description of terms of reference:

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

ii. Composition, Name of Members and Chairperson:

The Audit Committee comprises of the following members as on 31<sup>st</sup> March 2018:

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

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of Regulation 18 (2) of the Listing Regulations, the Audit Committee met 5 (Five) times during the financial year under review, on 03.06.2017, 05.07.2017, 11.08.2017, 13.11.2017 and 12.02.2018 and the attendance of the members of the Audit Committee as recorded is as under:

Sl. No.	Name of the Director	Status	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	0
2	Sri N. Seethaiah	Member	5
3	Sri P. Madhava Rao	Member	5

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

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

**4. NOMINATION AND REMUNERATION COMMITTEE:**

i. Brief description of terms of reference:

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

1. To determine the Company's policy on specific remuneration package for Executive Directors including compensation payment, if any, on behalf of the Board of Directors and Shareholders.

2. To review, assess and recommend the appointment of Executive Director from time to time and also remuneration package including Employees Stock Option Scheme to the Board of Directors.
3. Any other function as may be delegated by Board of Directors.

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

Nomination and Remuneration Committee comprises of the following non-executive independent directors as on 31<sup>st</sup> March 2018:

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

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

**iii. Attendance during the year:**

The Nomination and Remuneration Committee met 1 (One) times, during the financial year under review, on 28.03.2017 approved the Remuneration Policy and ratification for reappointment of Kamma Srinivasa Rao as Whole-time Director on 28.03.2017. The attendance of the meeting by the members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings Attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	1
2	Sri Srinivasa Rao Kamma	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, recognizes their merits and achievements and promotes excellence in their performance;
- d) Motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- e) Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- f) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

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

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

**Evaluation Criteria:**

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

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

Of the total 5 (Five) directors, 3 (Three) are executive directors. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting. The non-executive directors do not draw any remuneration/ sitting fees from the Company for



attending the meetings of the board and the committees. Details of Remuneration of the executive Directors for the financial year 2017-2018 are as follows:

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

**vi. Details of shareholding of Directors as on 31<sup>st</sup> March 2018:**

As on 31st March 2018, the Company had 3 (Three) executive directors and 2 (Two) non-executive directors, the two executive directors hold equity shares in the Company. The other non-executive directors do not hold any shares in the Company. The details are as follows:

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

**5. STAKE HOLDERS' RELATIONSHIP COMMITTEE:**

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

**i. Composition of the Committee:**

The Stakeholders' Relationship Committee comprises of the following Members as on 31st March 2018:

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

**ii. Name and Designation of Compliance Officer: Company Secretary**

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

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. During the period under review, the Company has received 46 Complaints from Shareholders and disposed of 46 and the balance is Nil.

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

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

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

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

**vii. Attendance during the year:**

The Shareholders/Investors Grievances Committee/ Stakeholders' Relationship Committee met 4 (Four) times during the year on 05.04.2017, 13.07.2017, 10.10.2017 and 12.01.2018 and the attendance of the members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings attended
1	Smt. Ch. Lakshmi Kumari	Chairperson	1
2	Sri K. Srinivas Rao	Member	4
3	Sri P. Madhava Rao	Member	4

## 6. GENERAL BODY MEETINGS:

- Location and Time for the last three Annual General Meetings held and
- 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
27 <sup>th</sup> AGM (2016-2017)	23.09.2017 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
26 <sup>th</sup> AGM (2015-2016)	24.09.2016 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
25 <sup>th</sup> AGM (2014-2015)	30.09.2015 3.00 PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Adoption of new Articles of Association of the Company U/S 14 of the Companies Act, 2013.

### iii. Postal Ballot:

During the year no resolution was passed through postal ballot.

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

### iv. Meeting of Independent Directors

Pursuant to the companies Act, 2013 read with rules made there under and Secretarial Standard-I issues by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a meeting of the Independent Directors of the Company for the calendar year 2017 was held on 12<sup>th</sup> February, 2018 and next meeting of the Independent Directors will be held in calendar year 2018.

## 7. DISCLOSURES:

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

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

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

- Disqualification of Directors: As on March 31, 2018 none of the Directors of the Company were disqualified under section 164(2) of the Companies Act, 2013.

- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or Statutory Authority on any matters relating to capital markets during the last three years – None

### iv. Whistle Blower Policy:

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



- v. The Managing Director has issued certificate pursuant to the provisions of Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.
- vi. Auditors' Report certifying the compliance of Corporate Governance as required under Schedule V, Part C of Listing Regulations is annexed herein forming a part of Corporate Governance Report.

vii. **Subsidiary Companies:**

The financials of all the subsidiary companies have been duly reviewed by the audit committee. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding Company. The Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies.

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

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

viii. **SEBI Prevention of Insider Trading:**

With SEBI imposing the responsibility of "Prohibition of Insider Trading" in the Organizations, Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed under SEBI (Prohibition of Insider Regulations) 2015. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company, while in possession of the unpublished price sensitive information in relation to the Company. As on the date, there have been no violations of insider trading regulation.

- ix. The Company has adhered to all the mandatory requirements of corporate Governance norms as prescribed in Schedule V, Part C of Listing Regulations.

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

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. The Board of Directors has adopted a code of conduct for all Board members and senior management of the Company and affirmed its compliance on annual basis for the Financial Year ended 31st March 2018. In terms of compliance with the requirement of Regulation 46 of the Listing Regulations are disseminated in the website of the Company under the following link:

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

- xi. Discretionary requirements under Listing Regulations: The Company has complied with all the discretionary requirements of Corporate Governance stipulated under Part E of Schedule V of the Listing Regulations. Certificate to this effect has been issued by Sri KSRK Prasad, Statutory Auditor and the same has been incorporated as an Annexure to the Directors Report.

**8. SHAREHOLDER'S COMMUNICATION:**

- i. The quarterly financial provisional un-audited results of the Company published in the leading daily newspaper within 45 days from the end of the respective quarter and fourth quarter duly audited within 60 days as per the Regulation 31 of Listing Regulations.

The financial calendar events of 2017-18 relating to quarterly un-audited financial results are as follows:

<b>Financial Reporting for the :</b>	
1st Quarter ended 30 <sup>th</sup> June 2017	13 <sup>th</sup> August, 2017
2nd Quarter ended 30th September 2017	13 <sup>th</sup> November, 2017
3rd Quarter ended 31st December 2017	12 <sup>th</sup> February, 2017
4th Quarter ended and financial year 31st March 2018	28 <sup>th</sup> May, 2018

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



## 9. GENERAL SHAREHOLDER'S INFORMATION:

### i. AGM: Date, Time and Venue:

Date : 22<sup>nd</sup> September 2018  
 Day : Saturday  
 Time : 3.00PM  
 Venue : Regd. Office: Madhu Complex, 1-7-70, Jublipura,  
 Khammam-507 003, Telangana

### ii. Financial Year:

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

### iii. 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.

### iv. Stock Code: INE 378D01032

### v. Market Price Data:

High and Low during each month in last financial year 2017-2018:

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 2018 are as under-

#### A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2017	65.40	43.10	28,98,301	23,387
May 2017	62.90	49.20	14,37,878	12,302
June 2017	53.35	35.85	16,01,807	12,326
July 2017	38.95	31.75	10,67,432	9,113
August 2017	33.55	27.00	5,79,734	4,117
September 2017	34.00	24.90	14,80,291	10,268
October 2017	35.90	26.20	12,27,229	8,946
November 2017	38.85	29.50	20,18,966	13,905
December 2017	38.50	30.05	19,43,774	9,426
January 2018	40.50	31.40	18,59,196	10,917
February 2018	33.20	25.45	6,90,805	3,707
March 2018	27.70	18.80	12,07,549	2,964

#### B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares	No. of Trades
April 2017	65.40	43.20	12,576,413	71,123
May 2017	62.95	49.20	6,264,373	41,342
June 2017	53.40	35.90	7,988,989	48,590
July 2017	38.85	31.75	5,692,150	33,388
August 2017	33.45	26.90	2,612,596	15,328
September 2017	32.80	24.70	6,615,153	32,783
October 2017	35.95	26.25	5,733,545	27,779
November 2017	38.90	29.30	10,261,068	55,513
December 2017	38.40	29.80	8,099,354	37,762
January 2018	42.95	31.10	8,734,901	36,995
February 2018	33.00	25.50	3,114,038	14,666
March 2018	27.85	18.75	3,012,906	13,294


**vi. Registrar and Transfer Agents:**

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

**vii. 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.

**viii. 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.

**ix. A) Distribution of Shareholding as on 31<sup>st</sup> March, 2018**

Equity Share holding of nominal Value of Rs. 1/- each	Number of Shares		Amount	
	Numbers	%	In Rs.	%
1 - 5,000	18429	96.29	9647609	13.07
5,001 - 10,000	324	1.69	2436119	3.30
10,001 - 20,000	176	0.92	2610461	3.54
20,001 - 30,000	59	0.31	1470911	1.99
30,001 - 40,000	26	0.14	944498	1.28
40,001 - 50,000	31	0.16	1413465	1.92
50,001 - 1,00,000	45	0.24	3169446	4.29
1,00,001 - Above	49	0.26	52102431	70.60
<b>Total</b>	<b>19139</b>	<b>100.00</b>	<b>73794940</b>	<b>100.00</b>

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

7,35,40,130 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,54,810 are in physical form equivalent to 0.34% as on 31st March 2018.

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

Electronic/Physical	No of Shares held	% of Capital
NSDL	49195855	66.67
CDSL	24344275	32.99
Physical	254810	0.34
<b>Total</b>	<b>73794940</b>	<b>100.00</b>

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.

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

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




**Karvy Computershare Private Limited**

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

For any queries regarding shares held in Demat Form, members are requested to contact their respective Depository Participants.

For any other information about the Company, members are requested to contact the following officer of the Company.

**Company Secretary & Compliance Officer:**

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

**10. LISTING FEES:**

Listing fee has been paid to Stock Exchanges within the prescribed time limit as set in the Listing Regulations for the Financial Year 2018-2019.

**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 /FITT/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.)
2016-2017	Final	10	0.10	73,79,494
2015-2016	Final	10	0.10	73,79,494
2014-2015	Final	10	0.10	73,79,494

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

I hereby confirm that the company has obtained from all the members of the Board and Senior Management personnel, affirmations that they have complied with code of conduct for Board Members and senior Management personnel in respect of the financial year ended March 31, 2018.

For and on behalf of the Board

Place: Hyderabad  
Date: 13/08/2018

**Nama Seethaiah**  
Managing Director  
DIN-00784491



## **ANNEXURE-IX**

### **CEO/CGM (Finance & Accounts) Certification**

In relation to the Audited Financial Statements of the Company as at March 31, 2018, Nama Seethaiah, Managing Director and Prasanna Pai CGM (Finance & Accounts) of the Company certify that:

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

Place: Hyderabad  
Date: 13/08/2018

**Prasanna Pai**  
Chief General Manager  
(Finance & Accounts)

**N Seethaiah**  
Managing Director & CEO  
DIN 00784491

**ANNEXURE-X****PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE WITH  
CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members  
Madhucon Projects Limited

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited (the Company) ,for the year ended March31, 2018, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015

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

Place: Hyderabad  
Date: 28.05.2018

**Suryanarayana Upadhyayula**  
(FCS 336; CP 2768)



**ANNEXURE-XI**

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

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

Dear Sir(s),

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

- a) I am the person of integrity and possess relevant expertise and experience under the opinion of the Board
- b) I am not the promoter of the Company or its holding, subsidiary or associate company.
- c) I am not related to promoters or directors in the Company, its holding, subsidiary or associate Company.
- d) I do not have nor had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- e) None of my relatives has or had pecuniary relationship or transaction(s) with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such other higher amount as prescribed/may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- f) Neither me nor my relatives:
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.
  - iii. holds together with my relatives two percent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company;
- g) I possess appropriate skills, experience and knowledge in one or more fields as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.
- h) I am not a material supplier, service provider or customer or a lessor or lessee of the company, which affects the Independence of Directors.
- i) I am not less than 21 years of age.

**DECLARATION:**

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

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

Thanking you,

Place: Khammam  
Date: 04/04/2018

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



## ANNEXURE-XI

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

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

Dear Sir(s),

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

- a) I am the person of integrity and possess relevant expertise and experience under the opinion of the Board
- b) I am not the promoter of the Company or its holding, subsidiary or associate company.
- c) I am not related to promoters or directors in the Company, its holding, subsidiary or associate Company.
- d) I do not have nor had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- e) None of my relatives has or had pecuniary relationship or transaction(s) with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such other higher amount as prescribed/may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- f) Neither me nor my relatives:
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.
  - iii. holds together with my relatives two percent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company;
- g) I possess appropriate skills, experience and knowledge in one or more fields as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.
- h) I am not a material supplier, service provider or customer or a lessor or lessee of the company, which affects the Independence of Directors.
- i) I am not less than 21 years of age.

**DECLARATION:**

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

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

Thanking you,

Place: Khammam  
Date: 04/04/2018

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



**ANNEXURE-XI**

**DECLARATION OF INDEPENDENCE BY SRI RAMADAS KASARANENI INDEPENDENT DIRECTOR UNDER SECTION 149 (7), SCHEDULE IV OF THE COMPANIES ACT, 2013.**

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

Dear Sir(s),

I, RAMADAS KASARANENI, (DIN: 02182093) hereby certify that I am a Non-Executive Independent Director of the Madhucon Projects Limited and comply with all the criteria of independent director as envisaged in Section 149(6) of the Companies Act, 2013. And I certify that:

- a) I am the person of integrity and possess relevant expertise and experience under the opinion of the Board
- b) I am not the promoter of the Company or its holding, subsidiary or associate company.
- c) I am not related to promoters or directors in the Company, its holding, subsidiary or associate Company.
- d) I do not have nor had any pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- e) None of my relatives has or had pecuniary relationship or transaction(s) with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such other higher amount as prescribed/may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- f) Neither me nor my relatives:
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.
  - iii. holds together with my relatives two percent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company;
- g) I possess appropriate skills, experience and knowledge in one or more fields as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.
- h) I am not a material supplier, service provider or customer or a lessor or lessee of the company, which affects the Independence of Directors.
- i) I am not less than 21 years of age.

**DECLARATION:**

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

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

Thanking you,

Place: Hyderabad

(Sd/)  
**Ramadas Kasaraneni**  
60-22-4/3, SBI COLONY-1,