

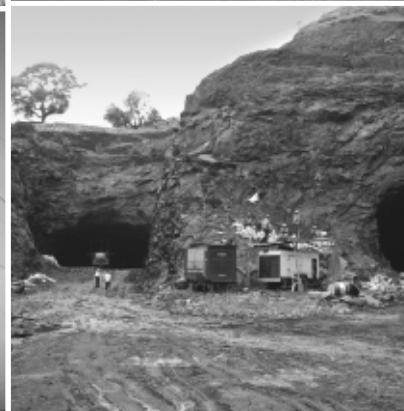


MADHUCON

MADHUCON

PROJECTS LIMITED

AN ISO - 9001 : 2008 COMPANY



20th
Annual Report
2009 - 2010

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Forward Looking Statement

This Annual Report contains statements that constitute forward looking information to enable investors to take informed investment decisions. This report and statement represent anticipated results based on management plans, judgments, and future expectations concerning the development of our business. The achievement of results is subject to risks, market conditions, governmental and regulatory policies, technological developments, legislative developments and other factors. The actual developments and results differ from our expectations.

Madhucon Projects Limited undertakes no obligation to publicly update any forward looking statement, whether as a result of new information, future events or other circumstances.





MADHUCON PROJECTS LIMITED

**20TH ANNUAL REPORT
2009 - 2010**



BOARD OF DIRECTORS

N. Seethaiah

Managing Director

S. Vaikuntanathan

Whole-time Director

K. Srinivasa Rao

Non-Executive Director

C. Venkateswara Rao

Independent Director

P. Madhava Rao

Independent Director

Company Secretary

E.N. Viswanath

AUDITORS

M/s Kota & Company

Chartered Accountants

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

Sathguru Management Consultants Pvt. Ltd.

Plot No.15, Hindi Nagar, Punjagutta

Hyderabad - 500 034.

BANKERS

Canara Bank

Standard Chartered Bank

ICICI Bank Limited

Oriental Bank of Commerce

HDFC Bank Ltd.

Bank of Bahrain & Kuwait BSC

State Bank of India

IDBI Bank Ltd.

United Bank of India

AXIS Bank Ltd.

IndusInd Bank Ltd.

Bank of India



NOTICE

To

The Members,

Madhucon Projects Limited

Notice is hereby given that the 20th Annual General Meeting of Madhucon Projects Limited will be held on Thursday, the 30th September, 2010 at 3.00 PM at the Registered Office of the Company situated at "Madhu Complex, 1-7-70, Jublipura, Khammam - 507 003, Andhra Pradesh 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, 2010 and the Profit and Loss Account 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. K.Srinivasa 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 modification(s), 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, Hyderabad be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration including out of pocket and incidental expenses as may be determined by the Board of Directors of the Company".

SPECIAL BUSINESS:

5. **To re-appoint Sri N. Seethaiah as Managing Director of the company and to fix his remuneration.**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII including modification and amendment thereto and other applicable provisions, if any, of the Companies Act, 1956 and on recommendations of Remuneration Committee and subject to the approval of members of the Company and such other approvals as may be required, consent of the members be and is hereby accorded to the re-appointment of Sri. N. Seethaiah as Managing Director of the Company for a period of 3 (three) years with effect from 1st May, 2010 on a monthly remuneration of Rs.5,00,000/- (Rupees Five lakhs only) (inclusive of all allowances & perquisites)".

"RESOLVED FURTHER THAT the Board of Directors of the Company or any director/officer of the company as may be delegated/authorized by the Board of Directors be and is hereby authorized to take such steps from time to time as may be necessary including supplementary or consequential to give effect to the above resolution".



6. **To increase the authorised share capital of the company:**

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

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 16,00,00,000 (Rupees Sixteen Crores only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Re. 1/- each aggregating to Rs.11,00,00,000 (Rupees Eleven Crores) and 5,00,000 (Five Lakhs) Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 5,00,00,000 (Rupees Five Crores) **to** Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re. 1/- each aggregating to Rs. 30,00,00,000 (Rupees Thirty Crores Only) and 20,00,000 (Twenty Lakhs) Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 20,00,00,000 (Rupees Twenty Crores Only) subject to the condition that the new equity shares shall rank pari passu with the existing Equity Shares of the Company”.

7. **To amend capital clause in the Memorandum of Association:**

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

“RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be substituted with the following new clause”.

The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re. 1/- each aggregating to Rs. 30,00,00,000 (Rupees Thirty Crores Only) and 20,00,000 (Twenty Lakhs) Redeemable Preference Shares of Rs.100/- each aggregating to Rs.20,00,00,000 (Rupees Twenty Crores Only).

The Company will have the right to increase or reduce the Capital and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privilege or conditions of such manner, as may for the time be provided by the Companies Act, 1956 or provided by the Regulations of the Company for the time being.

8. **To amend capital clause in the Articles of Association:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Articles of Association of the Company be substituted with the following clause”.

“That Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) comprised of:

30,00,00,000 Equity Shares of Re.1/- each (Rupee one only) - Rs.30,00,00,000/- (Rupees Thirty Crores only)
20,00,000 Redeemable Preference Shares of Rs.100/- (Rupees One hundred only) each - Rs.20,00,00,000/- (Rupees Twenty Crores only).

9. **To increase the Borrowing Limits and creation of Charge/Mortgage:**

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

“RESOLVED THAT in supersession to the earlier resolution passed by the members of the Company at 16th Annual General Meeting held on 19th August, 2006 concerning borrowing powers, consent of the members



of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the 'Board,' which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) in pursuance of the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) for borrowing from time to time such sum(s) of money in any manner, either in Rupee Currency and / or in Foreign Currency, including Foreign Currency Convertible Bonds or any other financial instruments with or without security and on such terms and conditions as the Board may in its absolute discretion deem fit, notwithstanding the fact that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans from the Company's Banker's in the ordinary course of business) may exceed the aggregate for the time being of the Paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of the moneys to be so borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company's banker's in the ordinary course of business) and outstanding at any time shall not exceed the sum of Rs. 5000 Crores (Rupees Five Thousand Crores only)".

"RESOLVED FURTHER THAT pursuant to Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of the company be and are hereby authorized to mortgage and/or charge all the present and future immovable and movable properties of the company in favour of the Banks and financial institutions for the purpose of securing such borrowings up to a limit of Rs.5000 Crores (Rupees Five Thousand Crores Only) outstanding at any time including the interest thereon".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, 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, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

10. **To Issue further securities:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **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(s) or re-enactment(s) 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) Regulations, 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 over-allotment / green shoe 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 over-allotment/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 Depositary Receipts ("GDRs") and / or American Depositary 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.500 Crores (Rupees Five Hundred 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 finalise 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, 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 and 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 over-subscription;
- (f) acceptance and appropriation of the proceeds of the issue of the securities as Board or Committee thereof decides as it thinks 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 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 the giving 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 with 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 modification(s) in the proposal as may be required by the authorities involved in such issues but subject to such condition(s) 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.”

11. To amend Articles of Association of the company to provide for issue of shares with differential voting rights

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 11 of the Articles of Association of the Company be substituted with the following new clause.

The Company may issue equity shares with differential rights in the Company as to dividend, voting or otherwise in terms of provisions of Companies Act, 1956 read with The Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001 or any amendment, modification, replacement or re-enactment made thereto from time to time.

By Order of the Board

Place: Hyderabad
Date: 21.08.2010

E.N.VISWANATH
Company Secretary



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/herself 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 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 25.09.2010 to 30.09. 2010 (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 Sathguru Management Consultants Pvt. Ltd., Plot No.15, Hindi Nagar, Punjagutta, Hyderabad-500034.
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. Where members are holding their shares in joint name, the members whose name appears first will be considered for dividend and/or voting purpose.
12. Brief profile of Sri. K. Srinivasa Rao, the Director and Sri N. Seethaiah, the Managing Director who are being re-appointed at this meeting are provided in the "Report on Corporate Governance".
13. Members are requested to provide their E-mail ID to M/s Sathguru Management Consultants Private Limited (RTA) for effective communication.

**ANNEXURE:****Explanatory Statement Pursuant to the provision 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 in respect of item No. 5 to 11.

Item No. 5: Re-appointment of Sri.N.Seethaiah as Managing Director of the Company

At the 17th Annual General Meeting of the Company held on 1st September 2007, the members have approved the appointment of Sri. N.Seethaiah, as Managing Director of the Company for a period of 3 (three) years with effect from 1st May, 2007 and whose period of office expires on 30th April 2010.

The Board of Directors, at their meeting held on 30th April, 2010, has approved the re-appointment of Sri.N.Seethaiah, as Managing Director of the Company for a further period of 3 (three) years with effect from 1st May 2010 on a monthly remuneration of Rs.5,00,000/- (Rupees Five lakhs only) (inclusive of all allowances & perquisites) on recommendations of Remuneration Committee considering his commitment, dedication and involvement in day to day activities of the company during his tenure and also contribution made towards growth of the company. The brief profile of Sri. N.Seethaiah is given in the "Report on Corporate Governance".

The Board of Directors of your company recommends the proposed resolution in the larger interest of the company.

None of the Directors of the Company are interested or concerned in the proposed resolution except to the extent of shares held by them and Sri N. Seethaiah as proposed appointee.

Item No. 6, 7 & 8: Increase of Authorized Share Capital:

The Company is, in order to meet its business growth, required to raise long term financial resources by issuing securities and therefore, it is considered necessary to increase the Authorised Share Capital of the Company from Rs.16.00 Crores to Rs.50.00 Crores and as a result the Memorandum and Articles of Association of the Company is required to be altered as set out in the Item No.6, 7 & 8 of notice of AGM as annexed herewith.

The Companies Act, 1956 requires that the Company shall seek the approval of the Members for increase of authorised share capital and for consequential alteration in the Capital Clause of the Memorandum and Articles of Association of the Company.

The Board of Directors of your company recommends the proposed resolutions as set out at item Nos. 6, 7 and 8 in the larger interest of the company.

None of the Directors of the Company are concerned or interested in the said resolution.

Item No. 9: Increase of Borrowing Limits and creation of Charge/Mortgage:

The Members, at 16th Annual General Meeting of the Company held on 19th August, 2006, have authorized the Board of Directors of the Company to borrow up to Rs. 2000 Crores (Rupees Two Thousand Crores Only).

In order to meet the increasing long term financial requirements for the present and future projects of the Company, the Board of Directors recommend the members to accord their consent to borrow monies up to a maximum limit of Rs. 5000 Crores (Rupees Five Thousand Crores Only) together with monies already borrowed by the Company excluding temporary loans borrowed from the Banks or Financial Institutions during the ordinary course of Business from time to time.

Under Section 293 (1) (d) of the Companies Act,1956, consent of the members is required to enable the Board of Directors to borrow monies from time to time to meet the project requirements, which exceeds the aggregate of the Paid-up Capital of the Company and its Free Reserves.



Section 293 (1) (a) of the Companies Act, 1956, provides that the Board of Directors of the Company shall not, without the consent of members of the company, sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company.

The financial assistance from the Banks or Financial Institutions including Debentures issued by the Company have to be secured by the subservient charge on the movable and immovable assets of the company both present and future, it is necessary for the members to pass a resolution under Section 293 (1) (a) of the Companies Act, 1956.

Your Directors recommend the proposed resolution for your approval in the larger interest of the Company.

None of the Directors are interested or concerned in the proposed resolution.

Item No. 10: Issue of further Securities:

In order to meet the Company's long term fund requirements for the projects in infrastructure development in new initiatives, collaborations and joint ventures and to further strengthen the financial position of the Company, it is proposed to access external sources of funds in India and/or abroad. Accordingly, it is proposed to issue securities as enumerated in the proposed resolution under the applicable regulations such that the aggregate of the sums so raised by issue of such securities including premium, if any, shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores only).

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 shares 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 Directors recommend the proposed resolution for your approval in the larger interest of the Company.

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

Item No. 11: Issue of Equity Shares with Differential Rights:

In order to meet the requirements of business growth and terms of issue of securities acceptable to the investors, it is considered necessary to issue the equity shares with differential rights as to voting, dividend or otherwise. The existing article of Articles of Association of the Company restricts the issue of equity shares with differential rights which impede the raising of financial resources on differential terms with prospective investors. Therefore, in order to amend the existing article to provide for issue of equity shares with differential rights, it is considered necessary to seek approval of members at this Annual General Meeting of the Company.

Your Directors recommend the proposed resolution for your approval in the larger interest of the Company.

None of the Directors is interested or concerned in the proposed resolution.

By Order of the Board

Place: Hyderabad
Date: 21.08.2010

E.N.VISWANATH
Company Secretary



DIRECTORS' REPORT

To
The Members,
Madhucon Projects Limited

Your Directors have pleasure in presenting the Twentieth Annual Report on "Business Operations, Performance & Progress" of the company together with the Audited Financial Statements for the year ended March 31, 2010.

A. FINANCIAL RESULTS:

(Rupees in Lakhs)

PARTICULARS	2009-2010	2008-2009
Gross Income	139386.28	104453.56
Profit before Depreciation & Taxation	11587.40	11648.12
Depreciation	4642.70	4334.22
Profit before Taxation	6944.69	7313.90
Provision for Taxation		
i) Current Tax	2566.22	2586.36
ii) Deferred Tax	(199.19)	21.49
iii) Fringe Benefit Tax	-	15.06
Profit after Taxation	4577.66	4690.98
Profit available for appropriation	4577.66	4690.98
APPROPRIATION		
General Reserve	457.77	469.10
Proposed Dividend	295.18	295.18
Corporate Tax on Proposed Dividend	49.03	50.17
Balance transferred to Balance Sheet	3775.69	3876.54
Earnings per Share (Rs.)	6.20*	12.71**
Book Value (Rs.)	78.37*	145.27**
Paid-up Equity Share Capital	740.32	740.32
Reserves & Surplus	57095.66	52862.21

* The face value of equity share was split from Rs.2/- to Re.1/- w.e.f. 07.11.2009.

** The face value of equity share was Rs.2/-

B. REVIEW OF OPERATIONAL PERFORMANCE:

During the year under review, your company has achieved a gross income of Rs.139386.28 lakhs as against Rs.104453.56 lakhs in the previous year registering a growth by 33.44%. The company has earned a net profit of Rs.4577.66 lakhs as against Rs.4690.98 lakhs in the previous year after providing for depreciation of Rs.4642.70 Lakhs (Rs.4334.22 Lakhs in the previous year).



Your Company has consolidated its financial statements combining the financial information from its various subsidiary companies as listed as per the applicable Accounting Standards and as a result, the consolidated turnover and consolidated profit is shown as Rs. 144053.63 lakhs and Rs. 3106.98 lakhs respectively.

C. MANAGEMENT DISCUSSION AND ANALYSIS:

I. Economic and Industrial Structure and its Developments:

The Indian economy was facing global recession and it is under consolidation process. The government has to focus more on development of infrastructure sector to boost GDP growth by providing higher plan allocation and to sustain economic growth of 8%-9%.

a) Future Outlook:

Indian economy is yet to undergo structural changes to boost infrastructure sector in the next plan period at 35% during 2009-2013 and 8% up to 2012. The companies in infrastructure sector are backed with strong orders which translate in to revenue/earning potential in the coming years only through financial stimulus. Your company is giving major thrust in various infrastructure sectors to reap the benefit of growth in infrastructure sector.

b) Infrastructure Sector and Industry Overview:

The infrastructure development needs a projected investments requirement of USD 500 Billion and USD 1.5 Trillion in the year 2007-2012 and 2012-2017 respectively to trigger the growth. The investment in infrastructure in India has increased from 4.9% of GDP in 2002-2003 to 6% last fiscal.

i) Transport Sector:

Indian Highways is second largest road networks in the world aggregating 3.34 Million Kms which contributes 60% of freight and 80% of passenger traffic. The National Highways contribute to a mere 2% of Road Infrastructure of India. There are 259 National Highways in India covering over 52,000 Kms distance. Road sector would require an investment of USD 80 Billion in the next three-four years. In 2009-2010, 32 Road Projects have been awarded as against 8 in 2008-2009. Union Road Transport Ministry has awarded 3,600 Kilometer by March, 2010 against 52,000 Kms which reflect that there is huge gap where government needs to act upon. NHAI is likely to award 50 Projects in 2010-2011. The government shall increase the target for infrastructure investment using PPP model.

There is huge potential for highways development especially in National/Express highways. In India, the vehicles are growing at an average base of 11% per annum and road freight at the CAGR of 10%.

ii) Power Sector:

There shall be highest priority to the capacity addition in power sector to the extent of 1,00,000 MW to meet the increasing demand in the power. The Mega Power Policy needs to be modified to encourage the further capacity addition. Coal Regulatory Authority needs to be created as a level playing field in coal sector to regulate the coal sector and also need to establish a National Clean Energy Fund to ensure clean energy.

iii) Mining Industry:

There shall be more emphasis on scientific mining and to prevent un-authorised mining and zero waste mining. The regulatory environment needs to be strengthened to prevent un-authorised mining, to attract the investment and to encourage value addition in the mining using PPP model. State Government needs to set out a State Mineral Policy. Development of roads within the mining areas and connecting roads to railway stations/ports need to be given top priority.



c) Investment Opportunities:

There are vast investment opportunities in infrastructure sectors both in rural and urban areas, which shall be exploited through PPP Model. Therefore, private sectors have investment opportunities in infrastructure sectors. The long term financial institutions and venture capital fund evincing the interest in long term financial lending to the infrastructure sectors. Liberal tax holiday need to be provided to BOOT/BOT Projects in Power, Roads, Highways, Bridges, Airports, Ports, Railway Systems, Water Supply, Irrigation, Sanitation and Sewerage Systems. Infrastructure and green field projects shall be permitted to avail ECB to the extent of 100% of the total project cost for financing project. Investment Promotion and Infrastructure Development Cell in the Ministry of Industry need to be strengthened to oversee the investment opportunities in infrastructure industry.

d) Risks and Challenges:

Construction delays continue to be a concern factor which stems from number of factors outside the control of project sponsors, which includes land acquisition, regulatory approvals, inflation, litigation etc., which can delay the timely completion of the project and increase in cost of project. This can, in turn, lead to additional funding, additional cost of fund etc.

e) Approach to Regulation of Infrastructure Sector:

Uniform regulatory approach for all the key infrastructure sectors shall be provided by the Secretariat for the Committee on Infrastructure and Planning Commission to create a preferred destination for investments by the investors.

II. OPERATIONAL PERFORMANCE:

a) Highway Projects:

As on date, your company has completed 603 Lane Kms. of BOT projects owned by your company and 1130 Kms. is under progress.

i) BOT Toll Based Projects:

The performance and status of 5 BOT National Highway Projects are as follows:

Sl. No.	Name of the Project	No. of Lane Kms.	Name of the SPV	Status of the Project	Expected Commissioning
1	Bharatpur-Mahwa NH-11 BOT Project	251	Madhucon Agra-Jaipur Expressways Limited	Completed	--
2	Karur - Dindigul NH-7 BOT Project	352	TN(DK) Expressways Limited	Completed	--
3	Thanjavur - Trichy NH-67 BOT Project	288	Trichy - Thanjavur Expressways Limited	In Progress	October 2010
4	Madurai - Tuticorin NH - 45 BOT Project	568	Madurai -Tuticorin Expressways Limited	In Progress	October 2010
5	Chhapra - Hajipur NH-19 DBFOT Annuity Basis Project, Bihar	274	Chhapra - Hajipur Expressways Limited	In Progress	December 2012



Your company has built over 7% of National Highway in the golden Quadrilateral in India.

Your company has participated in number of ongoing tenders.

ii) BOQ Projects:

Sl. No.	Name of the Project	No. of Lane Kms.	Date of Actual / Expected Completion of the Project	Status of the Project
1	Jhanjapur-Dharbanga Section NH-57, Bihar, NHAI.	168	31.03.2012	In Progress
2	Gopalganj-Muzaffarpur, NH-28, Bihar, NHAI	190	31.03.2011	In Progress
3	Nagaon- Dharamtul, NH-37, Assam, NHAI	120	24.12.2011	In Progress
4	Anik Panjarpole Link Road Project(APLR), MMRDA, Maharashtra	30	31.01.2011	In Progress
5	Spine Road-Pimpri Chinchwad Project, PCNTDA, Pune	100	31.12.2010	In Progress
6	Guna-Fathegharh-Paron Project Road No.8, MPRDC.	307	31.12.2009	Completed

b) Irrigation Projects:

Your Company is executing 5 major irrigation projects in the State of Andhra Pradesh.

c) Energy Projects:

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

Phase - I

The EPC Contract for execution of 2x135 MW being awarded by Simhapuri Energy Private Limited (SEPL) will be completed in the month of March, 2011.

Phase-II

Your company was awarded with EPC contract for execution of 2x150 MW from Simhapuri Energy Private Limited (SEPL) in the month of April 2010.

ii) Jharkhand Thermal Power Project:

MOU has been entered in to with Jharkhand Government for execution of 1000 MW Power Plant. The clearance for water and coal linkage from the Ministry concerned is awaited.

d) Mining Project:

The Company obtained a Contract from Northern Coal Field Limited for removal of over burden of first dig (solid) in Singrauli. Your company has deployed many sophisticated machinery and equipment at site. The project is under progress. Your company has participated in many ongoing tenders in mining during the year under review.

e) Building and Property Development Activity:

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



i) Hotel: Your Company has taken up a construction of Four Star Hotel cum Service Apartments at KPHB Colony, Hyderabad including service apartments with helipad facility. The construction work is in progress. The requisite statutory approvals have been obtained from various authorities concerned.

ii) Mega Mall: Your Company will take up a construction of Mall with Multiplex and has integration with MRTS Station. Requisite approvals from the concerned authorities are under consideration.

iii) Office Complex: Your Company has taken up the construction of complex which is in progress. The requisite statutory approvals have been obtained from various authorities concerned.

f) Crusher Project:

Your company is contemplating to establish a commercial setup for crusher division in highly potential places in order to use in-house equipments for commercial purposes for adding to the profit growth of the company.

g) Overseas Project:

Your company is executing a Road Project in Nepal. Your company is pre-qualified for Road Projects in Uganda and Republic of Yemen. Your Company is contemplating in to overseas ventures in Australia, Zimbabwe, South Africa, Indonesia etc.

III. Risks and Concerns:

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

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 thereafter by Board of Directors. Your company also outsource the external auditors' services wherever required.

V. Expansion and Diversification:

Your company is planning to diversify into various other sectors of infrastructure business namely Sea Ports, Air Ports, Railways including Freight Corridors, Housing and Property Development, Transmission and Distribution Systems, Coal Handling Plants etc. Your company has already pre qualified in transmission and service provider and distribution systems of REC and for a berth development in major ports in South India.

VI. Organizational Restructuring:

Your Company is restructuring its organization in order to keep the pace with the rate of growth of the organization. In order to enhance the group valuation and source the fund, investment in SPVs under Madhucon Projects Limited have been transferred to Madhucon Infra Limited at cost.

VII. Material Developments in Human Resources/Industrial Relations:

Your company is in the process of recruiting the requisite and competent professionals at all levels of management 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 Companies Act, 1956 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. The value of equity share was split from Rs. 2/- per share to Re. 1/- per share with effect from 07.11.2009.

X. Dividend:

Your Directors are pleased to recommend an Equity Dividend at Re. 0.40 per share (40% on paid up equity capital) for the year ended March 31, 2010 subject to approval of the members at this Annual General Meeting.

XI. Subsidiary companies:

The Company has 8 (Eight) Indian Subsidiaries and 2 (Two) Foreign Subsidiaries as on March 31, 2010. 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	240939500	10	2409395000	92.35
2	TN(DK) Expressways Limited (CIN- U45200AP2006PLC048941)	31.01.2006	38142000	10	381420000	51.09
3	Trichy-Thanjavur Expressways Limited (CIN- U45200AP2006PLC049815)	13.04.2006	33100000	10	331000000	51.20
4	Madurai-Tuticorin Expressways Limited (CIN-U45203AP2006PLC050114)	11.05.2006	88561500	10	885615000	54.11
5	Madhucon Energy Limited (CIN- L45309AP2000SGC034007)	24.03.2000	100090	5	500450	99.99
6	Madhucon Mega Mall Private Limited (CIN-U45400AP2007PTC056734)	18.12.2007	20000	10	200000	66.66
7	Nama Hotels Private Limited (CIN-U55101AP2007PTC056818)	24.12.2007	27121200	10	271212000	99.96
8	Madhucon Heights Private Limited (CIN-U45209AP2007PTC056733)	18.12.2007	20000	10	200000	66.66

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	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%
02	PT Madhucon Indonesia (Deed No.30) (H.R.01.01.TH 2006) Jakarta, Indonesia	19.12.2005	7125000 2375000	Rph.10,110	US\$7125000 US\$2375000 equivalent to Rs.438694347/-	95%



c) STEP DOWN SUBSIDIARIES:

1. Madhucon Agra-Jaipur Expressways Limited
2. Simhapuri Energy Private 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” and section 212 of the Companies Act 1956, the figures of the subsidiary companies as indicated herein is consolidated with Madhucon Projects Limited.

XIII. Transfer of Shares:

The Investments in 4 SPVs of Road and Power 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 forms part of this Annual Report and the same will be sent to National and Mumbai Stock Exchanges along with the Annual Report.

XV. Directors:

Sri.K.Srinivasa Rao, who retires by rotation at this Annual General Meeting, is eligible to be re-appointed as Non-Executive Director of the Company and who has given his consent in writing to act as Non-Executive Director, if appointed at this Annual General Meeting. The Board of Directors of the company recommends the appointment of Sri K. Srinivasa Rao, as Non- Executive Director of the company in the best interest of the company. The profile of Sri K. Srinivasa Rao is given in the report on corporate governance.

Sri N. Seethaiah, the Managing Director of the company whose period of office expires on 30th April, 2010 and has been re-appointed as Managing Director for a further period of three years with effect from 1st May, 2010 on terms and condition(s) mentioned in the resolution. The Board of Directors of the company recommends the appointment of Sri N. Seethaiah, as Managing Director of the company in the best interest of the company. The profile of Sri N. Seethaiah is given in the report on 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, 2010, 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, 2010 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:

Your Directors place on record, their sincere appreciation to the company's employees whose dedication and commitment has been responsible for the excellent performance of the company.

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, 2010:

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.

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

The company has established a Quality Management System in Design and Execution of Irrigation, Roads/ Highways Projects in compliance with the International Quality System Standards AN ISO 9001-2008 vide Certificate No.IN013996 dated 11.06.2010.

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 - LA+

Short term Debt/Commercial papers - A1

Long term Debt/NCD - LA+

XXII. Auditors:

M/s Kota & Company, Statutory Auditors of the Company expressed their willingness to be re-appointed for the financial year 2010-2011 and to hold office up to the conclusion of the next Annual General Meeting, if they are re-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(1-B) 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 and others, etc., for their continued support and encouragement from time to time.

For and on behalf of the Board

Place: Hyderabad
Date: 21.08.2010

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 OUT GO:

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Foreign Exchange Earnings:		
Interest & others	-	47.50
Foreign Exchange Out Go:		
i. Towards travelling	3.79	18.65
ii. Towards import of capital goods (CIF)	-	1168.36
iii. Towards advance to equipment suppliers	4574.11	-
iv. On account of others:		
a) Investment	3548.14	459.98
b) Interest	579.43	701.66
v. Others	22.39	354.05

For and on behalf of the Board

Place: Hyderabad
Date: 21.08.2010

N.SEETHAIAH
Managing Director

S. VAIKUNTANATHAN
Whole-time Director



REPORT ON CORPORATE GOVERNANCE

The Directors present 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 2010, 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 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 31.03.2010 have been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year 2009-2010	Meeting attended at Previous AGM 30.09.2009
1	Sri. N.Seethaiah Managing Director	13	Yes
2	Sri. S.Vaikuntanathan Whole-time Director	13	Yes
3	Sri. K.Srinivasa Rao Non-Executive Director	11	No
4	Sri. C.Venkateswara Rao Independent Director	12	No
5	Sri. P.Madhava Rao Independent Director	2	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	14	3	-
2	Sri. S.Vaikunthanathan	Whole-time Director	1	-	-
3	Sri. K.Srinivasa Rao	Non- Executive Director	13	-	-
4	Sri. C.Venkateswara Rao	Independent Director	2	1	2
5	Sri. P.Madhava Rao	Independent Director	2	2	1

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

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

In terms of compliance with the requirement of clause 49(I) (C) of Listing Agreement, 13 (Thirteen) Board Meetings were held during the financial year ended 31.3.2010 on the following dates:

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
30.04.2009	31.07.2009	10.10.2009	08.01.2010
	26.08.2009	24.10.2009	30.01.2010
	03.09.2009	28.10.2009	23.02.2010
		19.12.2009	05.03.2010
			23.03.2010

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 Sri.P.Madhava Rao, Independent Director as Chairman, Sri.C.Venkateswara Rao, Independent Director and Sri.K.Srinivasa Rao, Non-Executive Director as Members of the Committee.

iii. Meeting and attendance during the year:

In terms of compliance with the requirement of clause 49(II)(B) of Listing Agreement, the Audit Committee met 4 (Four) times during the financial year under review, on 30.04.2009, 31.07.2009, 28.10.2009, and 30.01.2010 and the attendance of the members of the Audit Committee as recorded is as under:



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

The Director (Finance), Head of the 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 as specified in the said clause.

4. REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

The terms of reference of Remuneration Committee are as follows:

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

ii. Composition, name of the members and Chairperson:

The Company has re-constituted the Remuneration Committee on 29.04.2006 consisting of three members namely Sri.C.Venkateswara Rao, Independent Director as Chairman, Sri. P. Madhava Rao, Independent Director as 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 30.04.2009 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	Sri. C.Venkateswara 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.
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 Share holders at their meetings.



4. No sitting fee to the Directors for attending the Board/Committee meetings.
5. Such other policy as may be decided

v. Details of Remuneration to all Directors:

Details of Remuneration of the following Directors for the financial year ended 31st March, 2010 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 (Value in Rs.)
1	Sri N Seethaiah Managing Director	2,00,000	Nil	Nil	Nil	24,00,000
2	Sri S.Vaikuntanathan Director Finance	1,95,000	Nil	Nil	Nil	23,40,000
3	Sri.K.Srinivasa Rao Non-Executive Director	Nil	Nil	Nil	Nil	Nil

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

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

i. Name of Non-Executive Director heading the Committee:

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

ii. Name and Designation of Compliance Officer:

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

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

Nil

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

Nil

v. 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.

vi. Attendance during the year:

The Shareholders/Investors Grievances Committee met 4 (Four) times during the year on 30.04.2009, 31.07.2009, 28.10.2009 and 30.01.2010 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	Sri. C.Venkateswara Rao	Member	4

vii Shares held by Non-Executive and Independent Directors:

Sl. No.	Name of the Director	Position	No. of Shares held	Percentage (%) of total shares
1	Sri. K. Srinivasa Rao	Non-Executive	954000	1.29
2	Sri C.Venkateswara 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
19th AGM (2008-09)	30.09.2009, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	No
18th AGM (2007-08)	29.09.2008, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	No
17th AGM (2006-07)	01.09.2007, 03.00 PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Yes

iii. Special Resolution passed in the last year through Postal Ballot – details of voting pattern:

Special Resolution was passed with respect to loan, investment, guarantee or security in the subsidiaries, associates and group companies of Madhucon Projects Limited as required under Section 372A of the Companies Act, 1956 vide notice of postal ballot dated 26.08.2009 and declared the results on 20.10.2009 details of voting are as under:



Sl.No.	Particulars	Number of Ballot Forms	Number of Votes
1	Votes cast in favour of the Resolution	82	2,11,79,321
2	Votes cast against the Resolution	3	56
3	Invalid Votes	14	1,155
	Total	99	2,11,80,532

iv. Person who conducted the postal ballot exercise:

Sri. U.Suryanarayana, Practicing Company Secretary, Hyderabad.

Pursuant to the shareholders consent through Postal Ballot dated 20th October, 2009 to segregate the infrastructure development projects from MPL, the following investments in 4 SPVs of Road Projects and SEPL Power Project have been transferred in two tranches dated 19th March, 2010 and 26th June, 2010 to Madhucon Infra Limited (a Subsidiary of Madhucon Projects Limited) in terms of agreement.

Name of SPV	Transferred on 19/03/2010		Transferred on 26/06/2010		Total No. of shares transferred
	No. of equity shares of Rs.10/- each	Value in Rs.	No. of equity shares of Rs.10/- each	Value in Rs.	
MAJEL	44460000	444600000	31744000	317440000	76204000
TNDK	29037000	290370000	38042000	380420000	67079000
TTEL	31520000	315200000	33000000	330000000	64520000
MTEL	30062500	300625000	-	-	30062500
SEPL	68530000	685300000	117080600	1170806000	185610600
Total	203609500	2036095000	219866600	2198666000	423476100

In consideration for the above, Madhucon Infra Limited allotted the following equity shares of Rs.10/- each at par to Madhucon Projects Limited ranking pari passu with the existing shares of the Company.

Sl. No.	Date of allotment	No. of Equity Shares	Value in Rs.
1	23rd March, 2010	203609500	2036095000
2	28th June, 2010	219866600	2198666000
	Total	423476100	4234761000

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 31.3.2010. 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 31.3.2010.



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 requirements from time to time.

v) Pecuniary relationships or transactions with Non- Executive Directors

None

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

Given elsewhere in the Report.

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

8. MEANS OF COMMUNICATION:

i. Quarterly Results:

The quarterly financial provisional un-audited results of the company will be published in the leading daily newspaper 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, 2010	15th August, 2010
2nd Quarter ended 30th September, 2010	15th November, 2010
3rd Quarter ended 31st December, 2010	15th February, 2011
4th Quarter ended 31st March, 2011	15th May, 2011

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

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

iii. Any website where quarterly results displayed:

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

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 31.03.2010:**

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	240939500	10	2409395000	92.35
2	TN(DK) Expressways Limited (CIN- U45200AP2006PLC048941)	31.01.2006	38142000	10	381420000	51.09
3	Trichy-Thanjavur Expressways Limited (CIN- U45200AP2006PLC049815)	13.04.2006	33100000	10	331000000	51.20
4	Madurai-Tuticorin Expressways Limited (CIN-U45203AP2006PLC050114)	11.05.2006	88561500	10	885615000	54.11
5	Madhucon Energy Limited (CIN- L45309AP2000SGC034007)	24.03.2000	100090	5	500450	99.99
6	Madhucon Mega Mall Private Limited (CIN-U45400AP2007PTC056734)	18.12.2007	20000	10	200000	66.66
7	Nama Hotels Private Limited (CIN-U55101AP2007PTC056818)	24.12.2007	27121200	10	271212000	99.96
8	Madhucon Heights Private Limited (CIN-U45209AP2007PTC056733)	18.12.2007	20000	10	200000	66.66


ii) Madhucon Projects Limited Investments in Equity of Foreign Subsidiary Companies as on 31.03.2010:

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%
02	PT Madhucon Indonesia (Deed No.30) (H.R.01.01.TH 2006) Jakarta, Indonesia	19.12.2005	7125000 2375000	Rph.10,110	US\$7125000 US\$2375000 (equivalent to Rs.438694347)	95%

iii) Madhucon Projects Limited Investments in Equity of Group Companies as on 31.03.2010:

Sl. No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face Value of Equity Share Rs.	Value of Equity Shares held Rs.	Percentage (%)
1	Madhucon Sugar & Power Industries Limited (CIN:U15427AP2002PLC039859)	05.11.2002	4811500	10	48115000	10.36
2	MBN Anchored Earth Limited (CIN U45200AP1998PLC029310)	28.04.1998	40000	10	400000	40.00
3	Madhucon Properties Limited (CIN:U45200AP2005PLC045366)	15.02.2005	20000	10	200000	33.33
4	Madhucon Toll Highways Limited (CIN- U93000AP2008PLC060479)	05.08.2008	30000	10	300000	37.50
5	Madhucon Agra-Jaipur Expressways Limited (CIN-U45203AP2005PLC045689)	23.03.2005	31844000	10	318440000	32.04
6	Simhapuri Energy Private Limited (CIN-U40101AP2005PTC048264)	02.12.2005	85190600	10	851906000	47.98

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 part of Corporate Governance Report and the same has been sent to National and Mumbai Stock Exchanges along with Annual Report of the Company.



12. GENERAL SHAREHOLDER INFORMATION:

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

Date : 30th September, 2010
Day : Thursday
Time : 3:00 PM
Venue : Registered Office - Madhu Complex, 1-7-70, Jublipura
Khammam-507 003, Andhra Pradesh

ii) Financial Year:

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

iii) Date of Book Closure:

25th September 2010 to 30th September 2010 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared for the financial year ended 31st March, 2010. Dividend will be paid to the beneficial owner of the shares as per the details provided by the Depositors.

iv) Dividend Payment Date:

On or before 30th October, 2010

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, Low during each month in last financial year:

High, Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE during the 12 months period ended 31st March 2010 is as under-

A) BSE

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2009	83.50	55.35	426791	3417
May 2009	153.65	76.05	807780	6167
June 2009	179.95	139.95	944802	9994
July 2009	193.80	129.50	634970	10645
August 2009	251.50	150.10	2089930	34695
September 2009	274.90	213.50	1850462	32564
October 2009	275.00	211.00	757708	16818
November 2009	235.00	115.10	2434468	36546
December 2009	187.45	159.00	1203414	20311
January 2010	197.55	155.55	1743251	26163
February 2010	173.15	150.50	445064	9030
March 2010	167.00	147.00	1689593	20266

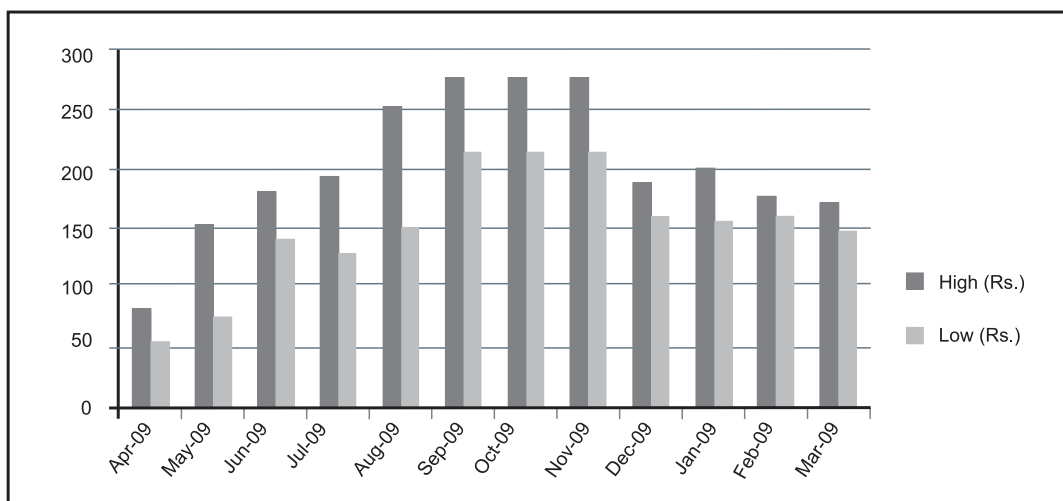
B) NSE

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2009	83.40	55.40	483584
May 2009	159.40	74.15	3858840
June 2009	184.60	138.90	1868314
July 2009	193.90	130.00	1213882
August 2009	251.90	143.00	4610201
September 2009	274.95	213.30	3886514
October 2009	272.90	210.20	1829829
November 2009	235.00	115.10	5563438
December 2009	187.30	160.00	2690300
January 2010	197.50	155.00	4395146
February 2010	173.30	151.00	1170057
March 2010	166.00	145.40	4245929

The face value of equity shares was split from Rs.2/- to Re.1/-each with effect from 7th November, 2009.



Share Price Movement Diagram:



viii) Registrar and Transfer Agents (RTA):

M/s. Sathguru Management Consultants Private Limited
 Plot No. 15, Hindi Nagar
 Punjagutta, Hyderabad-500 082
 Phone Nos: 040-23356507, 23350586, Fax: 040-23354042
 E-mail: sta@sathguru.com
 Contact Person Name: Sri R. Chandrasekhar, Sr. Divisional Manager - Capital Market

ix) Share Transfer System:

All the Share Transfers that are received will be processed by the Registrar and Transfer Agents (RTA) and approved and registered by the Board of Directors within 30 days from the date of lodgment and de-mat requests are normally confirmed within an average period of 15 days from the date of lodgment for transfer.

x) A) Distribution of Shareholding as on 31st March, 2010:

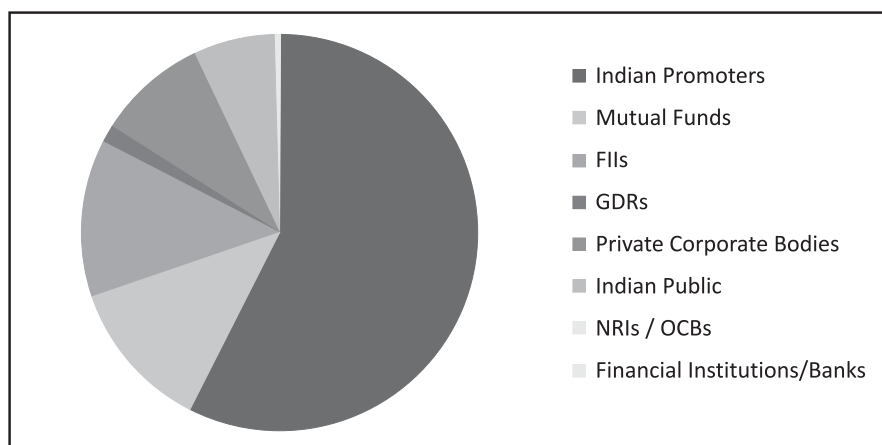
Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Share Amount	
		%	In Rs.	%
Up to - 5,000	10379	97.99	2666406	3.61
5,001 - 10,000	79	0.75	603447	0.82
10,001 - 20,000	45	0.42	636482	0.86
20,001 - 30,000	16	0.15	416671	0.56
30,001 - 40,000	6	0.06	216266	0.29
40,001 - 50,000	7	0.07	315597	0.43
50,001 - 1,00,000	17	0.16	1203146	1.63
1,00,001 - and above	43	0.41	67736925	91.79
TOTAL	10592	100.00	73794940	100.00


B) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010:
Shareholding Pattern for the Quarter ending 31st March, 2010 in terms of Clause 35 of Listing Agreement

Category	Sub Category	No. of Shareholders	No. of Shares	% of Shares
A) Promoter's Shareholding	Indian Promoters			
	a) Individuals/ Hindu Un-dividend family	21	30087600	40.77
	b) Bodies Corporate	4	12461438	16.89
	b) Foreign Promoters	0	0	0
	c) Persons acting in Concert	0	0	0
	Total Promoters Shareholdings (A)	25	42549038	57.66
B) Public Shareholding	1) Institutions			
	a) Mutual Funds/ UTI	12	8867032	12.02
	b) Financial Institutions/Banks	1	30000	0.04
	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	19	9427351	12.77
	g) Foreign Venture Capital Investors	0	0	0
	2) Non- Institutions			
	a) Bodies Corporate	452	6635223	8.99
	b) Individual Shareholders holding:			
	i) Nominal share capital upto Rs.1 Lakh.	9881	3857363	5.23
	ii) Nominal share capital in excess of Rs.1Lakh	4	1024427	1.39
	c) NRI/OCB	197	350106	0.47
	Total Public Shareholding (B)	10566	30191502	40.91
C) Shares held by Custodians and against which Depository Receipts have been issued	Duetches Bank Trust Company Americas – GDR's	1	1054400	1.43
	Grand Total: (A)+(B)+(C)	10592	73794940	100



SHAREHOLDING DISTRIBUTION



C) Top Shareholders as on 31st March, 2010:

	Category	Name	No. of Shares	% of Shares
A	Promoter's Holding (holding more than 1%)			
	Indian Promoters	1) Sri. N.Nageswar Rao	10147000	13.75
		2) Sri. N.Seethaiah	6001800	8.13
		3) Smt. N.Chinnamma	5967000	8.09
		4) Sri. N.Krishnaiah	2601800	3.53
		5) Sri. N.Prithvi Teja	993000	1.35
		6) Sri. K.Srinivasa Rao	954000	1.29
		Total (A)	26664600	36.14
B	Public shareholding (holding more than 1%)			
B1	Institutional Investors			
	a) Mutual Funds	1) Reliance Capital Trustee Co. Ltd A/C Reliance Growth Fund	4229142	5.73
		2) Sundaram BNP Paribas Mutual Fund A/C Sundaram BNP	2618570	3.55
	b) Foreign Institutional Investors:	1) The Master Trust Bank of Japan, Ltd A/c HSBC Indian Equity Mother Fund.	1165170	1.58
		2) Copthall Mauritius Investment Ltd	2617236	3.55
		3) Deutsche Securities Mauritius Limited	2381955	3.23
		4) Merrill Lynch Capital Markets Espana S.A. S.V.	1381000	1.87
		Total (B1)	14393073	19.51

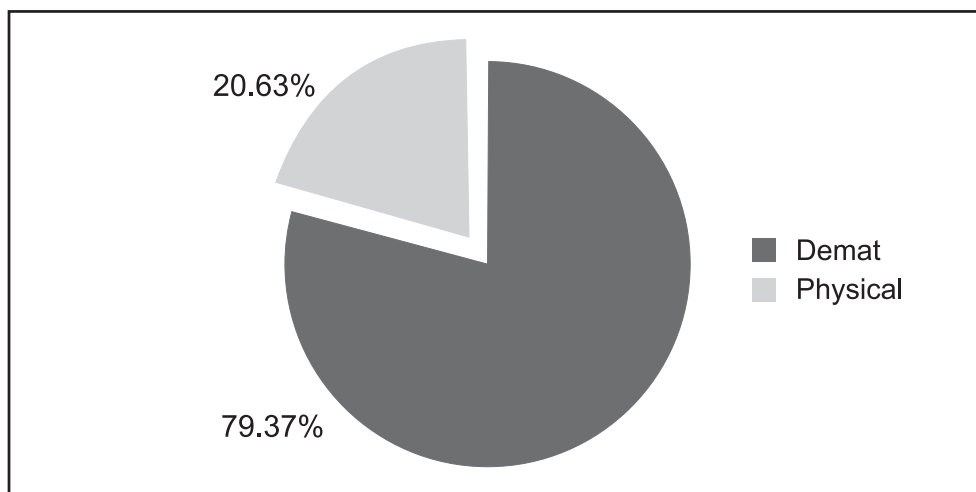


B2	Non-Institutions	Bodies Corporate –Domestic		
		1) Madhucon Granites Limited	8044000	10.90
		2) Nama Investments Limited	3633500	4.92
		3) ICICI Prudential Life Insurance Company Ltd	4346222	5.89
		4) MAX New York Life Insurance Company Ltd	1151751	1.56
		Total (B2)	17175473	23.27
		Total (B1)+(B2)	31568546	42.78

xi. Dematerialization of shares and liquidity:

5,85,70,530 Equity Shares equivalent to 79.37% of the total equity share capital have been de-materialized and 1,52,24,410 are in physical form equivalent to 20.63% as on 31st March 2010.

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).



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

No outstanding instruments.

xiii. A) Plant Locations:

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

xiv. Address for Correspondence:

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

**M/s. Sathguru Management Consultants Pvt. Ltd**

Plot No.15, Hindi Nagar, Punjagutta

Hyderabad – 500 034

Telephone: (040) 23356507, 23350586, 23356975

Fax No: 040-23354042

E-Mail: sta@sathguru.com

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

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

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

Company Secretary & Compliance Officer:

Corp. Off: "Madhucon House", Plot No.1129/A,

Road No.36, Jubilee Hills, Hyderabad – 500 033, India.

Telephone : (040) 23556001 / 2 / 3 / 4

Fax No: (040) 23556005

E-Mail : cs@madhucon.com

13. Listing Fees:

Listing fee is promptly paid to BSE & NSE within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2010-2011.

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 2010.

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.)
2008-2009	Interim	---	---	---
	Final	40	0.80	29517976
2007-2008	Interim	---	---	---
	Final	30	0.60	22138482
2006-2007	Interim	---	---	---
	Final	30	0.60	22138482



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

18. Directors retiring by rotation:

A) Sri. K.Srinivasa Rao

Sri.K.Srinivasa Rao, aged 37 years, is a qualified Civil Engineer with vast experience in construction and project management particularly in road sector. He is a member on the Board of Directors of the following Companies:

Madhucon Granites Limited; Madhucon Sugar & Power Industries Limited; Madhucon Toll Highways Limited; Madhucon Properties Limited; Madhucon Agra-Jaipur Expressways Limited; TN(DK) Expressways Limited; Madhucon Infra Limited; Trichy-Thanjavur Expressways Limited; Madurai-Tuticorin Expressways Limited; Varalakshmi Granites Private Limited; Bima Quarrying Private Limited; Madhucon Stone Crushers Private Limited and Madhucon Mega Mall Private Limited.

He is a member in the Remuneration, Shareholders' Grievances and Audit Committee. He is the Chairman of the Shareholders' Grievances Committee as a Non-Executive Director and who looks after the redressal of shareholder and investors complaints. The Board has delegated the power of share transfer to officer of the Company in case of physical transfers.

He is holding 9,54,000 equity shares in the company representing 1.29% in the total paid up equity share capital of the company.

B) Re-appointment of Managing Director:

Sri.N.Seethaiah, aged about 44 years, is a qualified civil engineer, associated with Madhucon Projects Limited as Promoter and Executive Director since from the inception of the company and having vast experience in Construction, Engineering, Planning, Project Management and administration in Infrastructure Development Projects.

He is a member on the Board of Directors of the following Companies:

Madhucon Infra Limited; Madhucon Sugar & Power Industries Limited; Nama Investments Limited; Madhucon Estates Limited; Madhucon Land Developers Limited; Madhucon Properties Limited; TN(DK) Expressways Limited; Trichy-Thanjavur Expressways Limited; Madurai-Tuticorin Expressways Limited; Simhapuri Energy Private Limited; Nama Hotels Private Limited; NNR Infra Investments Private Limited; Rajanagaram Gas Power Private Limited and Nama Energy Private Limited.

He is a member in the Shareholders' Grievances Committee and looks after the redressal of shareholder and investors complaints. The Board has delegated the power of share transfer to officer of the Company in case of physical share transfers.

He is holding 60,01,800 equity shares in the company representing 8.13% in the total paid up equity share capital of the company.



19. CEO/CFO Certification:

In terms of compliance of requirements of clause 49(V) of the Listing Agreement, Sri N. Seethaiah, Managing Director and Sri S. Vaikuntanathan, Director-Finance 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 violative 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: 21.08.2010

N.SEETHAIAH
Managing Director

S. VAIKUNTANATHAN
Whole-time Director



20. Quarterly Compliance Report on Corporate Governance

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

Quarterly Compliance Report on Corporate Governance for the Quarter ending on 30th June, 2010

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

For and on behalf of the Board

Place: Hyderabad
Date: 21.08.2010

N.SEETHAIAH
Managing Director



Auditor's Certificate on Compliance of Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited having its Regd. Office at: Madhu Complex, 1-7-70, Jublipura, Khammam – 507 003, Andhra Pradesh for the year ended 31st March 2010 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 2010, 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: 21.08.2010

K.S.R.K.Prasad

PARTNER

M.No. 022964



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

1. Sri Nama Nageswar Rao and his relatives
2. Sri K Srinivasa Rao and his relatives
3. Sri T Venugopal Rao and his relatives
4. Sri M Seetharamaiah
5. Sri M Madhu
6. M/s Madhucon Granites Limited
7. M/s Nama Investments Limited
8. M/s Varalakshmi Granites Private Limited
9. M/s Madhucon Infra Limited
10. M/s Madhucon Agra-Jaipur Expressways Limited
11. M/s TN (DK) Expressways Limited
12. M/s Trichy-Thanjavur Expressways Limited
13. M/s Madurai Tuticorin Expressways Limited
14. M/s Madhucon Energy Limited
15. M/s Simhapuri Energy Private Limited
16. M/s Madhucon Mineral Resources Limited
17. M/s Madhucon Estates Limited
18. M/s Madhucon Land Developers Limited
19. M/s Madhucon Properties Limited
20. M/s Nama Properties Limited
21. M/s Madhucon Mega Mall Private Limited
22. M/s Nama Hotels Private Limited
23. M/s Madhucon Heights Private Limited
24. M/s Madhucon Sugar and Power Industries Limited
25. M/s NNR Infra Investments Private Limited
26. M/s Madhucon Infotech Limited
27. M/s Madhucon Toll Highways Limited
28. M/s MBN-Anchored Earth Limited
29. M/s Madhucon Natural Resources Limited, Singapore
30. M/s PT Madhucon Indonesia, Indonesia
31. M/s Madhucon Mauritius Limited, Mauritius
32. M/s African Natural Resources Limited, Mauritius
33. M/s Chhapra-Hajipur Expressways Limited
34. M/s Nama Energy Private Limited
35. M/s Umarwada Gas Power Project Private Limited
36. M/s Rajanagaram Gas Power Private Limited
37. M/s Agastyamuni Hydro Power Private Limited
38. M/s Rudraprayag Hydro Power Private Limited
39. M/s Tilwara Hydro Power Private Limited



AUDITOR'S REPORT

To
The Members,
Madhucon Projects Limited

- (1) We have audited the attached Balance Sheet of Madhucon Projects Limited (the "Company") as at 31st March 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of The Companies Act 1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.
- (4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of the Section 274 of the Companies Act, 1956;



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For KOTA & COMPANY
Chartered Accountants
FRN 011982S

Place: Hyderabad
Date: 21.08.2010

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



Annexure to the Auditor's Report

(As referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has disposed few items of machinery. According to the information and explanations given to us we are of the opinion that the sale of the said part of plant and machinery has not affected the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (d) The company has a reasonable system of authorization at proper levels and an adequate system of internal control commensurate with the size of the company and the nature of its business on issue of stores and allocation of stores and labour of jobs.
- (iii) (a) The company has granted unsecured loans to companies, firms & other parties covered In the register maintained under Section 301 of the Act. The number of parties are 3 (Three) and amount involved is Rs. 1735 Lakhs
- (b) The rate of interest and other terms and conditions of the above loans are not prima facie, prejudicial to the interest of the company.
- (c) The company is regularly receiving principal amount and interest.
- (d) The company has taken reasonable steps for recovery of principal and interest wherever applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods.
- (v) (a) According to information and explanation given to us, we are of the opinion that the transactions that need to be entered in to the register maintained u/s 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 in the receipt of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act for any of the products of the company.
- (ix) (a) The company has generally deposited with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.



- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.
- (c) According to information and explanation given to us and the records of the Company examined by us, there are no dues on account of Income Tax, Sales Tax, Customs Duty, Excise Duty Cess and other statutory dues as at 31st March 2010, which have not been deposited on account of dispute except the following:

S. No.	Nature of due	Amount (in lakhs)	Period	From where dispute is pending
1	Entry Tax	36.16	2002-03 2003-04	STAT Hyderabad
2.	Sales Tax	974.03	2004-05	STAT Hyderabad

- (x) The company does not have any accumulated losses and has not incurred any cash losses during the current financial year and immediately preceding financial period.
- (xi) Based on the examination of the books of account and related records and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to the banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the company has given guarantee for loans taken by others from Bank or Financial Institutions:

Sl. No.	Name of the Company	Guarantee (Rs. In lakhs)	Pledge of Shares (nos)
1	Madhucon Sugars & Power Industries Limited	15145.00	
2	PT Madhucon Indonesia	2825.61	
3	Nama Hotel Private Limited	25293.00	
4	Madhucon Agra Jaipur Expressways Ltd		31744000
5	TN DK Expressways Ltd.		38042000
6	Trichy Tanjavur Expressways Ltd		33000000
7	Madurai Tuticorin Expressways Ltd		73454000
8	Simhapuri Energy Pvt Ltd.		85180600

- (xiv) Based on the examination of the books of account and related records and according to the information and explanations provided to us, the company has not utilized funds raised on short-term basis for long term investment and vice versa.
- (xv) There are no shares issued during the said period under review.
- (xvi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For KOTA & COMPANY
Chartered Accountants
FRN 011982S

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

Place: Hyderabad
Date: 21.08.2010



BALANCE SHEET AS AT 31st MARCH 2010

Particulars	SCH No.	AS AT 31-03-2010		AS AT 31-03-2009	
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
I SOURCE OF FUNDS:					
1. SHARE HOLDERS' FUNDS					
a) Capital	:I:	74032190		74032190	
b) Reserves & Surplus	:II:	5709566309		5286220689	
			5783598499		5360252879
2. LOAN FUNDS					
Secured Loans	:III:		5125758324		3198696510
3. DEFERRED TAX LIABILITY			104491202		124410271
TOTAL 1 TO 3			11013848025		8683359660
II APPLICATION OF FUNDS:					
1. FIXED ASSETS	:IV:				
a) Gross Block		4910211626		4615248069	
b) Less: Depreciation		2176081773		1731174902	
c) Net Block			2734129853		2884073167
2. INVESTMENTS	:V:		6386511118		3727589792
3. CURRENT ASSETS, LOANS & ADVANCES	:VI:				
Current Assets		2549031983		2242308954	
Loans & Advances		4977776905		4907557808	
		7526808888		7149866762	
Less: CURRENT LIABILITIES & PROVISIONS	:VII:				
Current Liabilities		5342558891		4783493039	
Provisions		291042943		294677022	
		5633601834		5078170061	
Net Current Assets			1893207054		2071696701
TOTAL 1 TO 3			11013848025		8683359660

NOTES ON ACCOUNTS

:VIII:

Note: Schedules I to VIII form an integral part of the Balance Sheet

As per our Report of even date attached

For and on behalf of the Board

For Kota & Company

Chartered Accountants

FRN 011982S

K.S.R.K. Prasad

Partner

M.No.22964

Place: Hyderabad

Date: 21-08-2010

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	SCH No.	Year Ended 31st March 2010 (Rupees)	Year Ended 31st March 2009 (Rupees)
I INCOME:			
Civil Engineering Projects		13882625410	10254337181
Other Income	:A:	56002603	191018618
Total:		13938628013	10445355799
II EXPENDITURE:			
Material and Work Expenses	:B:	10215381108	7062740939
Machinery Maintenance	:C:	1349336029	1175727067
Administrative Expenses	:D:	963880634	776295283
Interest & Finance Charges	:E:	251290354	265780484
Depreciation	:IV:	464270394	433422050
Total:		13244158519	9713965823
Profit before taxation		694469494	731389976
Provision for taxation - Current Year		256622400	258636000
- Deferred		(19919069)	2149281
- FBT		-	1506466
Net Profit Available for Appropriations		457766163	469098229
General Reserve		45776616	46909823
Proposed Dividend		29517976	29517976
Provision for Dividend Tax		4902567	5016580
Balance carried to Balance Sheet		377569004	387653850

NOTES ON ACCOUNTS

:VIII:

Note: Schedules A to E and VIII form an integral part of the Profit & Loss Account

As per our Report of even date attached

For Kota & Company

Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad

Partner

M.No.22964

N.Seethaiah

Managing Director

S.Vaikuntanathan

Wholetime Director

E.N.Viswanath

Company Secretary

Place: Hyderabad

Date: 21-08-2010



SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	AS AT 31-03-2010		AS AT 31-03-2009	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE - I				
SHARE CAPITAL				
Authorised Capital:				
11,00,00,000 Equity Shares of Re.1/- each,	110000000		110000000	
5,00,000 14% Redeemable Preference Share of Rs.100/- each repayable at the end of 7th year	50000000	160000000	50000000	160000000
Subscribed and Paid up:	73794940		73794940	
(7,37,94,940 Equity shares of Re.1/- each)				
Add: Forfeited Shares Amount (Originally paid up)	237250	74032190	237250	74032190
TOTAL		74032190		74032190
SCHEDULE - II				
RESERVES & SURPLUS				
A) General Reserve				
At. Commencement of the Year	235523285		188613462	
Add: From Profit and Loss Account	45776616	281299901	46909823	235523285
B) Surplus in Profit & Loss Account at the beginning of the year	2119389992		1731736142	
Add: Balance transferred from Profit and Loss Account	377569004	2496958996	387653850	2119389992
C) Share Premium Account				
At the beginning of the Year		2931307412		2931307412
TOTAL		5709566309		5286220689
SCHEDULE - III				
SECURED LOANS				
A) H.P. Finance	384911032		316117303	
B) Mobilisation Advance	1737953011		2135227530	
C) ECB Loan	604973875		747351677	
D) Secured Loans from Banks	2397920406		-	
TOTAL		5125758324		3198696510

SCHEDULE :IV: FIXED ASSETS AND DEPRECIATION

MADHUCON PROJECTS LIMITED

(Figures in Rupees)



S.No.	Name of the Asset	Gross Block				Depreciation				Net Block	
		As at 01.04.2009	Additions	Deletions	As at 31.03.2010	As at 01.04.2009	During the Year	Deletions	As at 31.03.2010		WDV As at 31.03.2010
1	Land	95822981	264000		96086981	----	----		----	96086981	95822981
2	Building	1660285			1660285	0	27063		27063	1633222	1660285
3	Staff Quarters	1056515			1056515	159676	17221		176897	879618	896839
4	Excavators	493787981	52842120	3772980	542857121	244363845	59345133	3772980	299935998	242921123	249424136
5	Compressors	29885223	0	2646426	27238797	14130946	1346191	148434	15328703	11910094	15754277
6	Vibratory Compactors	195108027	3438326		198546353	45670252	9373612		55043864	143502489	149437775
7	DGTH Crawler Tractor with Dozer Blades	52664494	0		52664494	24588099	5003127		29591226	23073268	28076395
8	Miller Batching Plant	266285899	1020541	4496578	262809862	129867343	30173885	975326	159065902	103743960	136418556
9	Industrial Process Chiller	5812390			5812390	1955797	276089		2231886	3580504	3856593
10	Dozer	37866310	0		37866310	15555007	3597299		19152306	18714004	22311303
11	Drilling Equipment	56067282	0		56067282	4808836	2663196		7472032	48595250	51258446
12	Hot Mix Plant	229759535	0		229759535	83580496	23757136		107337632	122421903	146179039
13	Crushing Plant	689554561	7129399		696683960	315562245	71874191	387436436	309247524	373992316	373992316
14	Motor Graders	140952172	0		140952172	58919513	14574455		73493968	67458204	82032659
15	Pavers	259572498	143526		259716024	114163685	26851831		141015516	118700508	145408813
16	Wet Mix Plant	23968612		2412800	21555812	12833994	2401117	2020474	13214637	8341175	11134618
17	Loaders	131120873	0		131120873	55837234	13557898		69395132	61725741	75283639
18	Cranes	10270317	9850		10280167	1804880	976572		2781452	7498715	8465437
19	Kerb Making Machine	34054273	828630		34882903	7165679	1637312		8802991	26079912	26888594
20	Transit Mixtures	106621070	0		106621070	12377961	5064501		17442462	89178608	94243109
21	Vehicles	119838069	6562314	1680696	124719687	46342438	11573307	1131872	56783873	67935814	73495631
22	Tipper & Trucks	1052225925	268077232	12406642	1307896515	328012015	110485997	9458383	29939629	878856886	724213910
23	Centering Materials	16359917	80398185		96758102	13090993	46644051		59735044	37023058	3268924
24	Other Machineries	95390307	6699326	2315180	99774453	22322394	4677474	101348	26898520	72875933	73067913
25	Generators	87564197	3505461	52020	91017638	13703164	4258734	3405	17958493	73059145	73861033
26	Lab Equipment	25859910	890881	201801	26548990	9324631	2722983	45048	12002566	14546424	16535279
27	Survey Equipment	1186333	1078720		12265053	4966141	1201667	80610	6087198	6177855	6220192
28	Weigh Bridges	16837300	1021244	1010000	16848544	6725143	1824977	153933	8396187	8452357	10112157
29	Temporary Structures	127621992	6261353	1153302	132730043	127532633	2709559	1259905	128962287	3747756	89359
30	Furniture & Office Equipment	74886510	7468462	1489759	80865213	15809862	4976984	211805	20575041	60290172	59076648
31	Computer & Software		6548482		6548482		676831		676831	5871651	0
	TOTAL	4489661758	454188052	33638184	4910211626	1731174902	464270394	19363523	2176081773	2734129853	2758486856
32	Capital Work in Progress	125586311	24265628	149851939	0					0	125586311
	TOTAL	4615248069	478453680	183490123	4910211626	1731174902	464270394	19363523	2176081773	2734129853	2884073167



SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	AS AT 31-03-2010		AS AT 31-03-2009	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE - V				
INVESTMENTS				
I - QUOTED				
4100 Equity shares of Rs.10/- each with Premium of Rs.25/- each in Canara Bank.		143500		143500
II UN QUOTED				
(i) M B N Anchored Earth Limited 40000 Equity Shares of Rs.10/- each	400000		400000	
(ii) Madhucon Energy Limited. 100090 Equity Shares of Rs.5/- each	500450		500450	
(iii) Madhucon Sugar & Power Industries Limited 4811500 Equity Shares of Rs.10/- each	48115000		48115000	
(iv) Madhucon Properties Limited 20000 Equity Shares of Rs.10- each	200000		200000	
(v) Madhucon Agra Jaipur Expressways Limited 31844000 Equity Shares of Rs.10- each	318440000		430540000	
(vi) T N (DK) Expressways Limited 38142000 Equity Shares of Rs.10/- each	381420000		671790000	
(vii) Madhucon Natural Resources Limited (Singapore) 750 Ordinary Shares of S \$1 each	21036		21036	
(viii) Trichy Thanjavur Expressways Limited 331000000 Equity Shares of Rs.10- each	331000000		638462800	
(ix) Madhurai Tuticorin Expressways Limited 88561500 Equity Shares of Rs.10- each	885615000		986240000	
(x) P T Madhucon Indonesia 9500000 Equity Shares of Indonesia Rph 10,110	438694347		198971006	
(xi) Simhapuri Energy Private Limited 85190600 Equity Shares - at cost	951306000		751306000	
(xii) Madhucon Mega Mall Private Limited. 20000 Equity Shares of Rs.10- each	200000		200000	
(xiii) Madhucon Heights Private Limited 20000 Equity Shares of Rs.10- each	200000		200000	
(xiv) Nama Hotels Private Limited 27121200 Equity Shares of Rs.10- each	271212000		200000	
(xv) Madhucon Toll Highways Limited 30000 Equity Shares of Rs.10- each	300000		300000	
(xvi) Madhucon Infra Limited 240939500 Equity shares of Rs.10/- each	2409395000		--	
(xvii) Share Application Money - Simhapuri Energy Private Limited	319000000			
(xviii) Mutual Funds	30348785	6386367618	--	3727446292
TOTAL		6386511118		3727589792



SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	AS AT 31-03-2010		AS AT 31-03-2009	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
SCHEDULE - VI				
CURRENT ASSETS, LOANS & ADVANCES				
A) CURRENT ASSETS				
i) Interest Accrued		6316298		2867182
ii) Work in Progress		655928347		423720700
iii) Closing Stock		95146997		93261649
iv) Sundry Debtors				
a. Outstanding for more than six months				
Considered good	407212211		679527595	
b. Others				
Considered good	829644021	1236856232	195133404	874660999
v) Cash and Bank Balances				
Cash on Hand	6463099		2136853	
Balances with Scheduled Banks				
Current Accounts	478786717		590233267	
Fixed Deposits	69534293	554784109	255428304	847798424
B) LOANS AND ADVANCES				
(Un secured and considered good)				
Advances to Suppliers & Others	3745401894		4133787412	
Deposits with Government & Others	971842727		524250896	
Tax Deducted at Source	260532284	4977776905	249519500	4907557808
TOTAL		7526808888		7149866762
SCHEDULE - VII				
CURRENT LIABILITIES & PROVISIONS				
A) CURRENT LIABILITIES				
Creditors for Suppliers	680178032		366214787	
Creditors for Services	185323950		208584266	
Other Liabilities	4477056909	5342558891	4208693986	4783493039
B) PROVISIONS				
Taxation	256622400		258636000	
Proposed Dividend	29517976		29517976	
Provision for Dividend Tax	4902567		5016580	
Provision for FBT	-	291042943	1506466	294677022
TOTAL		5633601834		5078170061



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	Year Ended 31st March 2010 (Rupees)	Year Ended 31st March 2009 (Rupees)
SCHEDULE :A:		
OTHER INCOME		
Interest on Bank Deposits	12787638	70878752
Sale of Scrap etc.	9295863	3314128
Others	33919102	116825738
TOTAL	56002603	191018618
SCHEDULE :B:		
MATERIALS AND WORK EXPENSES		
:B1: MATERIALS		
Cement	571482319	420552454
Steel	788018707	689111404
Bitumen	1186084221	1318992674
General Stores	541293667	304673161
Other Materials	2136866367	105970040
::B2:: WORK EXPENSES		
Opening Work in Progress	423720700	1135322223
Boulders & Metal Crushing Charges	107032955	136099126
Road Work Expenses	1365954030	865695197
Shuttering & Reinforcement	92118512	158835323
Civil Works	469437043	364423957
Drilling & Quarrying	129363913	151510504
Testing Charges	4096511	4824457
Bridge Repairs	443279355	108270929
Quarry Lease	1199499	3822380
Drain Works & Masonary Charges	431642399	71437897
Earth Work Expenses	1215914964	880024851
Site Expenses	20547197	57326736
Material Transport Charges	287328749	285847626
TOTAL	10215381108	7062740939
SCHEDULE :C:		
MACHINERY MAINTENANCE		
Fuel Charges	871519410	760594369
Vehicle Maintenance	41505517	80560083
Machinery Maintenance	344537306	305025611
Repairs & Maintenance	9570715	10389029
Machinery Hire Charges	82203081	19157975
TOTAL	1349336029	1175727067



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

Particulars	Year Ended 31st March 2010 (Rupees)	Year Ended 31st March 2009 (Rupees)
SCHEDULE :D:		
ADMINISTRATIVE EXPENSES		
Electricity & Water Charges	18256014	18253581
Traveling Charges	16216154	16352672
Printing & Stationery	7513124	8118173
Consultancy Charges	9925750	10716821
Postage & Stamps	909310	1066784
Advertisement	893205	1616745
Tender Charges	12154606	9239436
Staff Welfare	51071730	34294665
Telephone Charges	8083127	8532435
Security Services	15221438	16699469
Auditors Fee		
- Audit Fees	450000	300000
- Tax Audit Fees	50000	50000
Insurance Charges	43539463	11863286
Rent	19418108	13150870
Salaries	444894942	428741373
Pooja Expenses	13775241	718867
Legal Expenses	28066292	9824058
Sales Tax	189497043	121102942
Miscellaneous Expenses	5394517	6796525
Office Maintenance	6333468	5331038
Managerial Remuneration	4740000	4080000
Business Promotion Expenses	3338091	2533626
Rates & Taxes	63743202	46637594
Software Development Expenses	395809	274323
TOTAL	963880634	776295283
SCHEDULE :E:		
INTEREST & FINANCE CHARGES		
Finance Charges	36217538	22125647
Bank Guarantee Commission	34374646	30317595
Interest on Mobilisation Advance	57350790	135102791
Bank Charges	2614287	4732917
Interest	120733093	73501534
TOTAL	251290354	265780484

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.22964
Place: Hyderabad
Date: 21-08-2010

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Year Ended 31st March, 2010 (Rupees)	Year Ended 31st March, 2009 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	694469494	731389976
Adjustments for:		
Add:		
Depreciation	464270394	433422050
Interest	120733093	73501534
Less: Income from Investment	12787638	70878752
Operating profit before working capital changes	1266685343	1167434808
Adjustments for:		
(Increase)/Decrease in stocks	(234092995)	618339874
Increase /Decrease in Trade Debtors and other advances	(435863446)	(850500769)
Increase/Decrease in Creditors and other Liabilities	555431773	(483528602)
	(114524668)	(715689497)
Cash generated from operations	1152160675	451745311
Direct taxes	256622400	260142466
Cash flow before extraordinary items	895538275	191602845
Extraordinary items	-	-
Net Cash from Operating activities (A)	895538275	191602845
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets(net)	(314327080)	(837550603)
Increase in Investments	(2658921326)	(730710400)
Income from investment (Interest)	12787638	70878752
Net Cash used in investing activities (B)	(2960460768)	(1497382251)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(120733093)	(73501534)
Increase in secured loans	1927061814	1236677460
Dividend Paid	(29517976)	(22138482)
Dividend Tax thereon	(4902567)	(3762435)
Dividend and Dividend Tax Adjustments of Previous Year	-	-
Net cash from financing activities (C)	1771908178	1137275009
Net Increase in Cash and Cash equivalents	(293014315)	(168504397)
Cash and cash equivalents as at 01/04/2009 (Opening Balances)	847798424	1016302821
Cash and cash equivalents as at 31/3/2010 (Closing Balance)	554784109	847798424

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.22964

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary

Place: Hyderabad
Date: 21-08-2010



SCHEDULE- VIII : NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS AS AT 31st MARCH, 2010

I SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation:

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous years.

2. Significant accounting judgments and estimates:

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

3. Inventories:

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

4. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the cost of acquisition and any attributable cost of bringing the asset to its working condition for its intended use.

5. Depreciation:

Depreciation is provided for in the Accounts on Straight-Line method in accordance with the Schedule XIV of the Companies Act, 1956 as in force and proportionate depreciation are charged for additions/deletions during the year.

6. Impairment of Assets:

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

7. Investments:

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

8. Loan Funds

(i) Working Capital, Short Term Loan Facilities:

Fund and Non Fund based facilities from Consortium of Banks are secured by

- (a) Pari passu first charge on Current Assets of the Company.
- (b) Pari passu second charge on unencumbered movable Fixed Assets of the company.

(ii) ECB Loan:

Facility is secured by exclusive charge on equipment purchase.



9. Retirement Benefits:

- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- ii. Other retirement benefits such as gratuity, leave encashment etc., are recognized on cash basis.

10. Revenue recognition:

a) Interest:

Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

b) Contract Income:

Revenue from construction contracts are recognized by reference to the percentage of completion of the contract activity. The stage of completion is determined by survey of work performed and /or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognized as expenditure.

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

11. Deferred Revenue Expenditure:

All expenditure, the benefit of which is spread over more than a year are grouped under miscellaneous expenditure and is amortized over the expected serviceable life of such expenditure.

12. Income Tax:

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

13. Borrowing Costs:

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

14. Joint Venture Projects:

In respect of Joint Venture Projects executed jointly control operations, the assets controlled, liabilities incurred, the share of income and the expenses incurred are accounted in accordance with the agreed proportion under respective rights in the financial statements.

Assets, liabilities and expenditure arising out of contracts executed wholly by the Company pursuant to a Joint Venture Contract are accounted in respective heads in these financial statements.

**15. Foreign Currency Translation:**

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

16. Provisions, Contingent Liabilities & Contingent Assets:

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

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

Contingent liability is disclosed in the case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

17. Equity Shares:

Consequent to the approval of the shareholders in their Extra Ordinary General Meeting held on 30.09.2009, the Board of Directors fixed the record date of 07.11.2009 for sub division of equity shares of the company from Rs. 2/- into two equity shares of Re.1/- each. Weighted average number of shares used in computing earnings per share is based on the face value of Re.1/- per share.

**II Notes on Accounts:****1. Contingent Liabilities not provided for: (Rs. in Lakhs)**

Particulars	As at 31.03.2010	As at 31.03.2009
Bank Guarantees/Letters of Credit issued by the banks on behalf of the Company.	63827.08	47844.00
Performance Guarantee issued by the Company to its Subsidiaries and others	35427.90	29161.00
Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	43263.61	17398.00
Disputed Sales Tax (on appeal)	974.03	974.03
Disputed Entry Tax	36.16	36.16
Income-tax demand contested in appeal.	1784.37	3637.42

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

Sl.No.	Investee Company	No of Shares pledged	
		2009-2010	2008-2009
1	M/s. Madhucon Agra Jaipur Expressways Ltd	31744000	31744000
2	M/s. TN DK Expressways Ltd.	38042000	38042000
3	M/s. Trichy Tanjavur Expressways Ltd	33000000	33000000
4	M/s. Madurai Tuticorin Expressways Ltd	73454000	15454000
5	M/s. Simhapuri Energy Pvt Ltd.	85180600	14380600

3. Managerial Remuneration under section 198 of the Companies Act, 1956 paid or payable during the financial year, to the directors as under:

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31.03.2010	As at 31.03.2009
1	Salary and Allowances	40.80	40.80
2	Contribution to Provident and other funds	1.20	1.20
3	Commission	--	--
4	Directors Sitting Fee	--	--
5	Perks & Benefits including reimbursements	5.40	5.40
	TOTAL	47.40	47.40

4. Auditor's Remuneration: (Rs. in Lakhs)

Sl. No.	Particulars	As at 31.03.2010	As at 31.03.2009
1	Statutory Audit Fee	4.50	2.00
2	Tax Audit Fee	0.50	0.50
3	Fees for other services	--	1.00



5. Deferred Tax Asset / Liabilities:

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

(Rs. in Lakhs)

Particulars	2009-2010	2008-2009
Deferred Tax Liabilities on timing differences due to :		
a) Depreciation	(199.19)	21.49
b) Deferred Revenue Expenditure	-	-
Total	(199.19)	21.49

6. Segmental Reporting:

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

7. Joint Ventures:

The Company has financial interest in the following Joint Ventures:

- (i) Madhucon ABCI JV
- (ii) Madhucon Sree Rama JV
- (iii) Madhucon Valay JV

Foreign Joint Ventures:

- (i) Madhucon Bina Puri JV
- (ii) Madhucon Sino-Hydro JV

8. Micro & Small Enterprises

The Management has taken steps to identify the enterprises which have provided goods & services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2010 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2010 to Micro and Small Enterprises is NIL, which the auditors have relied upon. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

9. In accordance with Accounting Standard 11 (revised) the net exchange gain/(Loss) credited to profit & loss account is Rs 1.48 Lakhs (previous year net exchange gain credited Rs.244.53 lakhs) and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs. Nil (previous year: Rs.Nil).



10. Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (wherever applicable). (Rs. in Lakhs)

Particulars	As at 31.03.2010	As at 31.03.2009
Foreign Exchange Earnings:		
Interest & others	-	47.50
Foreign Exchange Out Go:		
i. Towards travelling	3.79	18.65
ii. Towards import of capital goods (CIF)	-	1168.36
iii. Towards advance to equipment suppliers	4574.11	-
iv. On account of others:		
a) Investment	3548.14	459.98
b) Interest	579.43	701.66
v. Others	22.39	354.05

11. Related Party Transactions:

Following are the list of related parties and relationships

A. Subsidiary Companies

1. M/s. Madhucon Infra Limited
2. M/s. TN (DK) Expressways Limited
3. M/s. Trichy - Thanjavur Expressways Limited
4. M/s. Madurai – Tuticorin Expressways Limited
5. M/s. Madhucon Energy Limited
6. M/s. Madhucon Mega Mall Private Limited
7. M/s. Nama Hotels Private Limited
8. M/s. Madhucon Heights Private Limited
9. M/s. Madhucon Natural Resources Limited, Singapore
10. M/s. PT Madhucon Indonesia

B. Step down Subsidiaries

11. M/s. Madhucon Agra-Jaipur Expressways Limited
12. M/s. Simhapuri Energy Private Limited

C. Associates

13. M/s. M.B.N. Anchored Earth Limited
14. M/s. Madhucon Properties Limited.
15. M/s. Madhucon Toll Highways Limited

D. Enterprises where significant influence exists

16. M/s. Nama Investments Limited
17. M/s. Madhucon Granites Limited
18. M/s. Madhucon Info Tech Limited
19. M/s. Madhucon Land Developers Limited
20. M/s. Madhucon Sugars and Power Industries Limited
21. M/s. Madhucon Estates Limited
22. M/s. Nama Properties Limited
23. M/s. NNR Infra Investments Private Limited

**E. Joint Ventures**

- 24. M/s. Madhucon Bina Puri JV
- 25. M/s. Madhucon Sino-Hydro JV
- 26. M/s. Madhucon ABCI JV
- 27. M/s. Madhucon Valay JV
- 28. M/s. Madhucon Sree Rama JV

F. Key Management Personnel and their relatives:

- 29. Sri N. Seethaiah Managing Director
- 30. Sri S.Vaikuntanathan Whole-time Director

G. Related Party Transactions during the year ended March 31, 2010 are as follows:**(Rs. In Lakhs)**

Particulars of Transactions	Subsidiaries	Associates	Jointly controlled / entities and ventures	Key management personnel and relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Services	-	1.11	-	-	8.82
Sales/Contract Receipts	83429.08	-	-	-	-
Purchases/Contract Payments	-	-	-	-	-
Share Capital/Share Application Money	-	-	-	-	-
Rent Paid	-	-	-	14.40	-
Remuneration	-	-	-	47.40	-
Investments	63069.83	9.00	-	-	481.36
Corporate Guarantees	28118.61	-	-	-	15145.00
Bank Guarantees	35427.90	-	-	-	-
Loans/Advances paid	900.00	0.20	24.95	-	3021.86
Loans/Advances Received	-	-	-	-	1000.40
Year end balances in Current Assets	12882.56	0.04	5970.35	7.53	3529.75
Year end balances in Current Liabilities	-	568.00	562.21	1557.62	2053.23



H. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2009-10 (Rs. in Lakhs)

Particulars of Transactions	Amount
Services :	
M/s. MBN Anchored Earth Limited	1.11
M/s. Madhucon Infotech Limited	8.82
Sales/Contract Receipts:	
M/s. Madurai Tuticorin Expressways Limited	32770.36
M/s. Simhapuri Energy Private Limited	39965.49
Rent Paid:	
Sri N. Seethaiah	14.40
Remuneration:	
Sri N. Seethaiah	24.00
Sri S.Vaikuntanathan	23.40
Investments:	
M/s. Madurai Tuticorin Expressways Limited	8856.15
M/s. Simhapuri Energy Private Limited	12703.06
M/s. Madhucon Infra Limited	24093.95
Corporate Guarantees:	
M/s. Nama Hotels Private Limited	25293.00
M/s. Madhucon Sugar & Power Industries Limited	15145.00
Bank Guarantees:	
M/s. Madurai Tuticorin Expressways Limited	7810.00
M/s. Simhapuri Energy Private Limited	17009.00
Loans/Advances paid:	
M/s. Madhucon Infra Limited	900.00
M/s. Nama Investments Limited	3000.42
Loans/Advances Received:	
M/s. Madhucon Granites Limited	1000.00

12 Consolidation of Accounts :

In accordance with the Accounting Standards AS-21 and AS-23 on Consolidated Financial Statements read with Accounting Standard AS-27 on Accounting for Investments in Subsidiaries/Associates/JVs, the figures of the subsidiaries are consolidated with the parent company.

13. Disclosure pursuant to Accounting Standard 7 (Revised) "Construction Contracts" (Rs. in Lakhs)

Particulars	2009-2010	2008-2009
Amount of contract revenue recognized	130759.89	98306.16
Aggregate amount of cost incurred and recognized profits (less recognized losses) up to the reporting date	121780.93	90244.65
Amount of advances received	9872.28	2961.96
Amount of retention	7832.13	4214.14

**14. Earnings per share:****(Rs. in Lakhs)**

Particulars		2009-2010	2008-2009
A	Profit computation for basic earnings Net Profit as per Profit & Loss Account Available for equity shareholders. (Rs. in Lakhs)	4577.66	4690.98
B	Weighted average number of equity shares For EPS computation. (Nos) (For Basic EPS)	73794940	36897470
C	EPS (weighted average) (Rs)	6.20*	12.71**

* The face value of equity share was split from Rs.2/- to Re.1/- w.e.f. 07.11.2009.

** The face value of equity share was Rs.2/-

- 15.** Figures for the previous year have been regrouped / recast, wherever necessary to conform to those of the current year.

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.22964
Place: Hyderabad
Date: 21-08-2010

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

(In Rupees)

A. REGISTRATION DETAILS

CIN No	:	L74210AP1990PLC011114
State Code.	:	01
Balance Sheet Date	:	31.03.2010

B. CAPITAL RAISED DURING THE YEAR

Public Issue	:	--
Right Issue	:	--
Bonus Issue	:	--
Private Placement	:	--

C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	:	11013848025
Total Assets	:	11013848025

D. SOURCES OF FUNDS

Paid-up Capital	:	74032190
Reserves & Surplus	:	5709566309
Secured Loans	:	5125758324
Unsecured Loans	:	--
Deferred Tax Liabilities	:	104491202

E. APPLICATION OF FUNDS

Net Fixed Assets	:	2734129853
Investments	:	6386511118
Net Current Assets	:	1893207054
Misc. Expenditure	:	--
Accumulated Losses	:	--

F. PERFORMANCE OF COMPANY

Turnover	:	13938628013
Total Expenditure	:	13244158519
Profit before Tax	:	694469494
Earnings per Share in Rs.	:	6.20
Dividend (Re.0.40 per Share)	:	40%

G. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)		
Item Code No. (ITC Code)	:	N.A
Product Description	:	N.A
Item Code No. (ITC Code)	:	N.A
Product Description	:	N.A
Item Code No.	:	N.A
Product Description	:	N.A

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES:

[illegible]



CONSOLIDATED FINANCIAL STATEMENTS

2009 - 2010



AUDITOR'S REPORT

THE BOARD OF DIRECTORS OF MADHUCON PROJECTS LIMITED

1. We have audited the attached consolidated Balance Sheet of Madhucon Projects Limited(the Company), its subsidiaries and jointly controlled entities (collectively referred as 'the Group') as at March 31, 2010 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated Financial Statements based on our Audit.
2. We conducted our Audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) As stated in the Note no. r of significant accounting policies and notes on accounts to the financial statements of one subsidiary has not been considered in preparation of Consolidated financial statements, for reasons stated therein.
(b) We did not audit the financial statements and other financial information of certain subsidiaries included in the financial statements, whose financial statements reflect Group's share of total assets of Rs. 209676.97 lacs as at March 31, 2010, total revenue of Rs. 4302.28 lacs. (including other income), net profit/(loss) of Rs.(1479.34) lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting standard 21(consolidated financial Statements), Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of separate audit reports on individual financial statements of the company, its aforesaid subsidiaries and associates and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010.
 - (b) In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year on that date; and
 - (c) In the case of Consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

For KOTA & COMPANY
CHARTERED ACCOUNTANTS
FRN 011982S

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



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	SCH No.	AS AT 31-03-2010	
		(Rupees)	(Rupees)
I SOURCE OF FUNDS:			
1. SHARE HOLDERS' FUNDS			
a) Capital	:I:	74032190	
b) Reserves & Surplus	:II:	8214132868	
			8288165058
2. MINORITY INTEREST			1127594478
3. LOAN FUNDS			
Secured Loans	:III:		21665734270
Un Secured Loans			43500000
4. DEFERRED TAX LIABILITY			104491202
TOTAL 1 TO 4			31229485008
II APPLICATION OF FUNDS:			
1. FIXED ASSETS			
A) Tangible Assets	:IV:		
a) Gross Block		5530262154	
b) Less: Depreciation		2293493834	
c) Net Block			3236768320
B) Intangible Assets			
a) Gross Block		7022241926	
b) Less: Amortisation		222525108	
c) Net Block			6799716818
C) Capital Work in Progress			19263190099
2. INVESTMENTS	:V:		147278514
3. CURRENT ASSETS, LOANS & ADVANCES	:VI:		
Current Assets		2815109410	
Loans & Advances		4694274890	
		7509384300	
Less: CURRENT LIABILITIES & PROVISIONS	:VII:		
Current Liabilities		5435423272	
Provisions		291429771	
		5726853043	
Net Current Assets			1782531257
TOTAL 1 TO 3			31229485008

NOTES ON ACCOUNTS

:VIII:

Note: Schedules I to VIII form an integral part of the Balance Sheet

As per our Report of even date attached

For Kota & Company

Chartered Accountants

FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad

Partner

M.No.22964

Place: Hyderabad

Date: 21-08-2010

N.Seethaiah

Managing Director

S.Vaikuntanathan

Wholetime Director

E.N.Viswanath

Company Secretary



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	SCH No.	Year Ended 31-03-2010 (Rupees)
INCOME:		
Civil Engineering Projects		13919132862
Fee Collection from use of facility		333503065
NHAI -Grant (O&M)		94350000
Other Income	:A:	58377296
		14405363223
EXPENDITURE:		
Material and Work Expenses	:B:	10295222872
Machinery Maintenance	:C:	1353843691
Administrative Expenses	:D:	998677720
Interest & Finance Charges	:E:	515815245
Depreciation	:IV:	688172423
Miscellaneous Expenditure Written Off		5843449
		13857575400
Profit before taxation		547787823
Provision for taxation		257009228
Provision for deferred tax		(19919069)
Profit after tax before Minority Interest		310697664
Share of (Profit) / Loss transferred to Minority Interest		12345826
Profit after tax after Minority Interest		323043490
Share of (Profit) / Loss transferred from Associates		(314313)
Net Profit Available for Appropriations		322729177
General Reserve		45776616
Proposed Dividend		29517976
Provision for Dividend Tax		4902567
Balance carried to Balance Sheet		242532018

NOTES ON ACCOUNTS

:VIII:

Note: Schedules A to E and VIII form an integral part of the Profit and Loss Account

As per our Report of even date attached

For Kota & Company

Chartered Accountants

FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad

Partner

M.No.22964

N.Seethaiah
Managing Director**S.Vaikuntanathan**
Wholetime Director**E.N.Viswanath**
Company Secretary

Place: Hyderabad

Date: 21-08-2010



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	AS AT 31-03-2010	
	(Rupees)	(Rupees)
SCHEDULE - I		
SHARE CAPITAL		
Authorised Capital:		
11,00,00,000 Equity Shares of Rs.1/- each,	110000000	
5,00,000 14% Redeemable Preference Share of Rs.100/- each repayable at the end of 7th year	50000000	<u>160000000</u>
Subscribed and Paidup:	73794940	
(7,37,94,940 Equity shares of Rs.1/- each)		
Add: Forfeited Shares Amount (originally paid up)	237250	74032190
TOTAL		74032190
SCHEDULE - II		
RESERVES & SURPLUS		
A. Capital Reserve/Goodwill		1311960150
B. General Reserve		
At the Commencement of the Year	235523285	
Add: From Profit and Loss Account	45776616	281299901
C. Post Acquisition Reserves		1287169237
D. Currency Translation Reserve		40474158
E. Surplus in Profit & loss account at the beginning of the year	2119389992	
Add: Balance transferred from Profit and Loss account	242532018	2361922010
F. Share Premium Account		
At the beginning of the Year		2931307412
TOTAL		8214132868
SCHEDULE - III		
SECURED LOANS		
A) H.P. Finance	384911032	
B) Mobilisation Advance	1737953011	
C) ECB Loan	604973875	
D) Secured Loans From Banks	18937896352	
		21665734270
MINORITY INTEREST		1127594478



SCHEDULE :IV: FIXED ASSETS AND DEPRECIATION

MADHUCON PROJECTS LIMITED
(Figures in Rupees)

S.No.	Name of the Asset	Gross Block			Depreciation			Net Block		
		As at 01.04.2009	Additions	Deletions	As at 31.03.2010	As at 01.04.2009	During the Year		Deletions	
1	Land	196064902	49733265		245798167	0	0	0	196064902	WDV As at 31.03.2009
2	Building	1660285			1660285	0	27063	27063	1633222	1660285
3	Staff Quarters	1056515			1056515	159676	17221	176897	879618	896839
4	Excavators	493787981	52842120	3772980	542857121	244363845	59345133	3772980	299335998	249421123
5	Compressors	29885223	0	2646426	27238797	14130946	1346191	148434	15328703	11910094
6	Vibratory Compactors	195108027	3438326		198546353	45670252	9373612		55043864	149437775
7	DGTH Crawler Tractor with Dozer Blades	52664494	0		52664494	24588099	5003127		29591226	28076395
8	Miller Batching Plant	266285899	1020541	4496578	262809862	129867343	30173885	975326	159065902	136418556
9	Industrial Process Chiller	5812390			5812390	1955797	276089		2231886	3856593
10	Dozer	37866310	0		37866310	15555007	3597299		19152306	22311303
11	Drilling Equipment	56067282	0		56067282	4808836	2663196		7472032	51258446
12	Hot Mix Plant	229759535	0		229759535	83580496	23757136		107337632	146179039
13	Crushing Plant	689554561	7129399		696683960	315562245	71874191		387436436	373992316
14	Motor Graders	140952172	0		140952172	58919513	14574455		73493968	82032659
15	Pavers	259572498	143526		259716024	114163685	26851831		141015516	145408813
16	Wet Mix Plant	23968612		2412800	21555812	12833994	2401117	2020474	13214637	11134618
17	Loaders	131120873	0		131120873	55837234	13557898		69395132	75283639
18	Cranes	10270317	9850		10280167	1804880	976572		2781452	8465437
19	Kerb Making Machine	34054273	828630		34882903	7165679	1637312		8802991	26888594
20	Transit Mixtures	106621070	0		106621070	12377961	5064501		17442462	94243109
21	Vehicles	136249294	7018894	1680696	141587492	50130628	15058403	1131872	64057159	86118665
22	Tipper & Trucks	1052225925	268077232	12406642	1307896515	328012015	110485997	9458383	429039629	724213910
23	Centering Materials	16359917	80398185		96758102	13090993	46644051		59735044	3268924
24	Other Machineries	101730378	9929235	2315180	109344433	23944529	6188308	101348	30031489	77785849
25	Generators	87564197	3505461	52020	91017638	13703164	4258734	3405	17958493	73861033
26	Lab Equipment	25859910	1160074	201801	26818183	9324631	2722983	45048	12002566	16535279
27	Survey Equipment	11186333	1465720	1010000	12652053	4966141	1201667	80610	6087198	6220192
28	Weigh Bridges	16837300	2031244		17858544	6725143	1824977	153933	8396187	10112157
29	Temporary Structures	127621992	6714746	1153302	133183436	127532633	2709559	1259905	128982287	89359
30	Furniture & Office Equipment	79201213	10978729	1489759	88690183	16996659	6016275	211805	22801129	62204554
31	Computer & Software	834825	7023628		7858453	616141	789548		1405689	218684
32	Plant & Machinery	1983379	53544617		55527996	368456	1688628		2057084	1614923
33	Heavy Equipment	377119035			377119035	53588199	48405578		101993777	323530836
	TOTAL	4996906917	566993422	33638184	5530262155	1792344820	520512538	19363523	2293493834	3204562096
34	Carriageway		7022241926							
35	Capital Work in Progress	12967026963	9713070132	3416906996	7022241926	0	222525108		222525108	12967026963
	Less: Depreciation transferred to Pre - operative Expenses						54865222		0	
	TOTAL	17963933880	17302305480	3450545180	31815694180	1792344820	688172424	19363523	2516018942	16171589059



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	AS AT 31-03-2010	
	(Rupees)	(Rupees)
SCHEDULE - V		
INVESTMENTS		
I QUOTED		
4100 Equity shares of Rs.10/- each with Premium of Rs.25/- each in Canara Bank.		143500
II UN QUOTED		
(i) M B N Anchored Earth Limited 40000 Equity Shares of Rs.10/- each		678617
(ii) Madhucon Sugar & Power Industries Limited 4811500 Equity Shares of Rs.10/- each		48115000
(iii) Madhucon Properties Limited 20000 Equity Shares of Rs.10/- each		992175
(iv) Madhucon Natural Resources Limited, Singapore 750 Ordinary Shares of S\$1 each		21036
(v) Madhucon Toll High ways Limited 30000 Equity Shares of Rs.10/- each		234750
(vi) a) Mutual Funds		30348785
b) In Subsidiaries		66744651
TOTAL		147278514
SCHEDULE - VI		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
i) Interest Accrued		6316298
ii) Work in Progress		1172380741
iii) Closing Stock		96293375
iv) Sundry Debtors		
a. Outstanding for more than six Months		
Considered good	407212211	
b. Others		
Considered good	393660801	800873012
v) Cash and Bank Balances		
Cash on Hand	8281898	
Balances with Scheduled Banks		
Current Accounts	661429793	
Fixed Deposits	69534293	739245984



Particulars	AS AT 31-03-2010	
	(Rupees)	(Rupees)
B) LOANS AND ADVANCES		
(Un secured and considered good)		
Advances to Suppliers & Others	3408223891	
Deposits with Government & Others	1024250527	
Tax Deducted at Source	261800472	4694274890
TOTAL		7509384300
SCHEDULE - VII		
CURRENT LIABILITIES & PROVISIONS		
A) CURRENT LIABILITIES		
Creditors for Suppliers	765692758	
Creditors for Services	187170531	
Other Liabilities	4482559983	5435423272
B) PROVISIONS		
Taxation	257009228	
Proposed Dividend	29517976	
Provision for Dividend Tax	4902567	291429771
TOTAL		5726853043



SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	Year Ended 31st March 2010 (Rupees)
SCHEDULE :A:	
OTHER INCOME	
Interest on Bank Deposits	12787638
Sale of Scrap etc.	9295863
Profit on Sale of Investment	420498
Others	35873297
TOTAL	58377296
SCHEDULE :B:	
MATERIALS AND WORK EXPENSES	
:B1: MATERIALS	
Cement	571482319
Steel	788018707
Bitumen	1186084221
General Stores	541293667
Other Materials	2136866367
::B2:: WORK EXPENSES	
Opening Work in Progress	423720700
Work Expenses	34363214
Boulders & Metal Crushing Charges	107032955
Road Work Expenses	1365954030
Shuttering & Reinforcement	92118512
Civil Works	469437043
Drilling & Quarrying	129363913
Testing Charges	4096511
Bridge Repairs	443279355
Quarry Lease	1199499
Drain Works & Masonary Charges	431642399
Earth Work Expenses	1215914964
Site Expenses	20547197
Highway Maintenance	42007812
Toll Plaza Expenses	1744033
Utility Shifting	1726705
Material Transport Charges	287328749
TOTAL	10295222872
SCHEDULE :C:	
MACHINERY MAINTENANCE	
Fuel Charges	871519410
Vehicle Maintenance	41505517
Machinery Maintenance	348790799
Repairs & Maintenance	9643724
Machinery Hire Charges	82384241
TOTAL	1353843691

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT**

Particulars	Year Ended 31st March 2010 (Rupees)
SCHEDULE :D:	
ADMINISTRATIVE EXPENSES	
Electricity & Water Charges	18803571
Traveling Charges	16511661
Printing & Stationery	7727474
Consultancy Charges	20612240
Postage & Stamps	920614
Advertisement	986781
Tender Charges	12154606
Staff Welfare	51171778
Telephone Charges	8637727
Security Services	22100379
Auditors Fee	
- Audit Fees	719132
- Tax Audit Fees	72060
Insurance Charges	43956939
Rent	19850440
Salaries	455043335
Pooja Expenses	13775241
Legal Expenses	28066292
Sales Tax	189497043
Miscellaneous Expenses	5529391
Office Maintenance	6490700
Managerial Remuneration	5686667
Business Promotion Expenses	3365210
Rates & Taxes	63751018
Software Development Expenses	398304
Meeting Expenses	47014
Registration Charges	2495
Annual Surveillance Fee	7353
Project Over Heads	109583
Other Audit Services	203670
Depository Transfer Service Charges	9542
Filing Fee	2467060
AGM Expenses	2400
TOTAL	998677720
SCHEDULE :E:	
INTEREST & FINANCE CHARGES	
Finance Charges	36217538
Bank Guarantee Commission	34374646
Interest on Mobilisation Advance	57350790
Bank Charges	2734735
Interest	121712112
Interest On fixed Loans	263425424
TOTAL	515815245

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.22964
Place: Hyderabad
Date: 21-08-2010

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended 31st March 2010 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and extraordinary items	547787823
Adjustments for:	
Add:	
Depreciation	688172423
Deferred Revenue Expenditure Written off	3717370
Loss on sale of Assets	-
Profit/Loss on sale of Investments	(420498)
Interest	207729804
Less: Income from Investment	12787638
Operating profit before working capital changes	1434199284
Adjustments for:	
(Increase)/Decrease in stocks	(228167202)
Increase /Decrease in Trade Debtors and other advances	937775843
Increase/Decrease in Creditors and other Liabilities	1564699333
Cash generated from operations	3708507258
Direct taxes	257009228
Cash flow before extraordinary items	3451498030
Extraordinary items	-
Net Cash from Operating activities (A)	3451498030
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed Assets(net)	(10648918200)
Increase/decrease other assets	881855367
Decrease in Investments	155525892
Income from investment (Interest)	12787638
Profit/Loss on Sale of Investments	420498
Net Cash used in investing activities (B)	(9598328805)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Interest paid	(207729804)
Increase in secured loans	5463909134
Unsecured Loans	(130760916)
Dividend Paid	(29517976)
Dividend Tax thereon	(4902567)
Net cash from financing activities (C)	5090997871
Net Increase in Cash and Cash equivalents	(1055832904)
Cash and cash equivalents as at 01/04/2009 (Opening Balances)	1795078888
Cash and cash equivalents as at 31/3/2010 (Closing Balance)	739245984

As per our Report of even date attached

For Kota & Company

Chartered Accountants

FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad

Partner

M.No.22964

Place: Hyderabad

Date: 21-08-2010

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary

**Schedules forming part of the Consolidated Accounts****SCHEDULE- VIII ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****I SIGNIFICANT ACCOUNTING POLICIES****1. Principles of Consolidation:**

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

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and unrealized profits or losses on intra group transactions as per Accounting Standard (AS) 21-"Consolidated Financial Statements" notified by the Companies(Accounting Standards) rules, 2006.
- b) Interest in jointly controlled entities have been consolidated by using the 'proportionate consolidation' method as per Accounting Standard (AS) 27 -'Financial Reporting of Interest in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006.
- c) In case of Associates where the Company directly or indirectly through its subsidiaries hold more than 20% equity, Investments in associates are accounted under the equity method as per the Accounting Standard (AS) 23-"Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006.
- d) The financial statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2010 except one Subsidiary.
- e) The excess of cost to the Company, of its investment in subsidiaries and the jointly controlled entities over the Company's share of equity is recognized in the financial statements as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries and jointly controlled entities on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

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

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) The minorities share movements in the equity since the date the parent subsidiary relationship came into existence.
 - h) Minority interest in the profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
 - i) Intra-group balances and intra group transactions and resulting unrealized profits/loss has been eliminated
 - j) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year.
 - k) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for the like transactions and the other events similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
2. Investments in subsidiaries, jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard(AS) 13- 'Accounting for Investments' notified by the Companies(Accounting Standards) Rules, 2006.



3. Other Significant Accounting Policies

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

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

c) Inventories:

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

d) Fixed Assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition is inclusive of freight, insurance, duties, levies and all incidentals attributable to bringing the asset to its working condition for their intended use.

e) Depreciation:

Depreciation is provided on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 as in force and proportionate depreciation is charged for additions/deletions during the year.

f) Impairment of Assets:

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

g) Investments:

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

h) Loan Funds

(i) Working Capital , Short term Loan facilities:

Fund and Non-Fund based facilities from Consortium of banks are secured by

- (a) Pari passu first charge on Current assets of the Company
- (b) Pari passu second charge on unencumbered movable Fixed Assets of the company.

(ii) ECB Loan:

Facility is secured by exclusive charge on equipment purchase.

i) Retirement Benefits:

- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- ii. Other retirement benefits such as gratuity, leave encashment etc., are recognized on cash basis.



j) Revenue Recognition:

a) Interest:

Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

b) Contract Income:

Revenue from construction contracts are recognized by reference to the percentage of completion of the contract activity. The stage of completion is determined by survey of work performed and /or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognized as expenditure.

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

k) Deferred Revenue Expenditure:

All expenditure, the benefit of which is spread over more than a year are grouped under miscellaneous expenditure and is amortized over the expected serviceable life of such expenditure.

l) Income Tax:

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

m) Grants:

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

n) Borrowing Costs:

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

o) Joint Venture Projects:

In respect of Joint Venture Projects executed jointly control operations, the assets controlled, liabilities incurred, the share of income and the expenses incurred are accounted in accordance with the agreed proportion under respective rights in the financial statements.

Assets, liabilities and expenditure arising out of contracts executed wholly by the Company pursuant to a Joint Venture Contract are accounted in respective heads in these financial statements

p) Foreign Currency Translation:

- a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.



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

q) Provisions, Contingent Liabilities & Contingent Assets:

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

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

Contingent liability is disclosed in the case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation unless the probability of outflow of resources is remote. Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

- r) In respect of Subsidiary Madhucon Natural Resources Limited, Singapore there are no significant transactions during the year, hence not considered for consolidation.

**II NOTES ON ACCOUNTS****1. Subsidiaries, Jointly Controlled Entities and Associates companies considered in the financial statements are:**

Name of the Entity	Country of Incorporation	Proportion of Ownership Interest (%)
M/s. Madhucon Infra Limited	India	92.35%
M/s. Madhucon Energy Limited	India	99.99%
M/s. TN(DK) Expressways Limited	India	51.09%
M/s. Trichy-Thanjavur Expressways Limited	India	51.20%
M/s. Madurai Tuticorin Expressways Limited	India	54.12%
M/s. Madhucon Mega Mall Private Limited	India	66.67%
M/s. Nama Hotels Private Limited	India	99.96%
M/s. Madhucon Heights Private Limited	India	66.67%
M/s. Simpapuri Energy Private Limited	India	47.98%
M/s. Madhucon Agra-Jaipur Expressways Limited	India	32.05%
M/s. MBN Anchored Earth Limited	India	40.00%
M/s. Madhucon Properties Limited	India	33.33%
M/s. Madhucon Toll Highways Limited	India	37.50%
M/s. PT Madhucon Indonesia	Indonesia	95.00%
M/s. Madhucon Natural Resources Limited	Singapore	75.00%

2. Contingent Liabilities not provided for:**(Rs. in Lakhs)**

Particulars	2009 - 2010
Bank Guarantees/Letters of Credit issued by the banks on behalf of the Company.	63827.08
Performance Guarantee issued by the Company to its Subsidiaries and others	35427.90
Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	43263.61
Disputed Sales Tax (on appeal)	974.03
Income-tax demand contested in appeal	1784.37



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

S.No	Investee Company	No of Shares pledged As at 31.03.2010
1	M/s. Madhucon Agra Jaipur Expressways Limited	31744000
2	M/s. TN(DK) Expressways Limited	38042000
3	M/s. Trichy Tanjavur Expressways Limited	33000000
4	M/s. Madurai Tuticorin Expressways Limited	73454000
5	M/s. Simhapuri Energy Private Limited	85180600

4. Deferred Tax Liabilities:

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

		(Rs. in Lakhs)
Particulars		31.03.2010
Deferred Tax Liabilities on timing differences due to :		
a) Depreciation		(199.19)
b) Deferred Revenue Expenditure		--
Total		(199.19)

5. Segmental Reporting:

The Company has a single segment namely "Engineering & Construction". Therefore, the Company's business does not fall under different business segments as defined by AS 17- "Segmental Reporting" issued by ICAI.

6. Joint Ventures:

The Company has financial interest in the following Joint Ventures:

- (i) Madhucon ABCI JV
- (ii) Madhucon Sree Rama JV
- (iii) Madhucon Valay JV

Foreign Joint Ventures:

- (i) Madhucon Bina Puri JV
- (ii) Madhucon Sino-Hydro JV

7. Micro & Small Enterprises

The Management has taken steps to identify the enterprises which have provided goods & services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31st March, 2010 has been made in the financial statements based on information received and such amount outstanding as on 31st March, 2010 to Micro and Small Enterprises is NIL, which the auditors have relied upon. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

8. In accordance with Accounting Standard 11 (revised) the net exchange gain / (Loss) credited to profit & loss account is Rs.1.48 Lakhs and foreign exchange difference (net) on capital account included in the cost of respective asset is Rs. Nil.



9. Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (wherever applicable).

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Foreign Exchange Earnings:		
Interest & others	-	47.50
Foreign Exchange Out Go:		
i. Towards travelling	3.79	18.65
ii. Towards import of capital goods (CIF)	-	1168.36
iii. Towards advance to equipment suppliers	4574.11	-
iv. On account of others:		
a) Investment	3548.14	459.98
b) Interest	579.43	701.66
v. Others	22.39	354.05

10. **Related Party Transactions:**

Following are the list of related parties and relationships

A. Subsidiary Companies

1. M/s. Madhucon Infra Limited
2. M/s. TN(DK) Expressways Limited
3. M/s. Trichy-Thanjavur Expressways Limited
4. M/s. Madurai-Tuticorin Expressways Limited
5. M/s. Madhucon Energy Limited
6. M/s. Madhucon Mega Mall Private Limited
7. M/s. Nama Hotels Private Limited
8. M/s. Madhucon Heights Private Limited
9. M/s. Madhucon Natural Resources Limited, Singapore
10. M/s. PT Madhucon Indonesia

B. Step down Subsidiaries

11. M/s. Madhucon Agra-Jaipur Expressways Limited
12. M/s. Simhapuri Energy Private Limited

C. Associated companies

13. M/s. M.B.N. Anchored Earth Limited
14. M/s. Madhucon Properties Limited.
15. M/s. Madhucon Toll Highways Limited

**D. Enterprises where significant influence exists**

16. M/s. Nama Investments Limited
17. M/s. Madhucon Granites Limited
18. M/s. Madhucon Info Tech Limited
19. M/s. Madhucon Land Developers Limited
20. M/s. Madhucon Sugars and Power Industries Limited
21. M/s. Madhucon Estates Limited
22. M/s. Nama Properties Limited
23. M/s. NNR Infra Investments Private Limited

E. Joint Ventures

24. M/s. Madhucon Bina Puri JV
25. M/s. Madhucon Sino-Hydro JV
26. M/s. Madhucon ABCI JV
27. M/s. Madhucon Valay JV
28. M/s. Madhucon Sree Rama JV

F. Key Management Personnel::

29. Sri N. Seethaiah Managing Director
30. Sri S. Vaikuntanathan Whole-time Director



G. Related Party Transactions during the year ended March 31, 2010 are as follows:

(Rs. In Lakhs)

Particulars of Transactions	Subsidiaries	Associates	Jointly controlled / entities and ventures	Key management personnel and relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Services	-	1.11	-	-	8.82
Sales/Contract Receipts	-	-	-	-	-
Purchases/Contract Payments	-	-	-	-	-
Share Capital/Share Application Money	-	-	-	-	-
Rent Paid	-	-	-	14.40	-
Remuneration	-	-	-	47.40	-
Investments	-	9.00	-	-	481.36
Corporate Guarantees	-	-	-	-	15145.00
Bank Guarantees	-	-	-	-	-
Loans/Advances paid	-	0.20	24.95	-	3021.86
Loans/Advances Received	-	-	-	-	1000.40
Year end balances in Current Assets	-	0.04	5970.35	7.53	3529.75
Year end balances in Current Liabilities	-	568.00	562.21	1557.62	2053.23



H. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year 2009-10

(Rs. in Lakhs)

Particulars of Transactions	Amount
Services :	
M/s. MBN Anchored Earth Limited	1.11
M/s. Madhucon Infotech Limited	8.82
Rent Paid:	
Sri N. Seethaiah	14.40
Remuneration:	
Sri N. Seethaiah	24.00
Sri S.Vaikuntanathan	23.40
Investments	
M/s. Madhucon Sugar & Power Industries Limited	481.15
Corporate Guarantees	
M/s. Madhucon Sugar & Power Industries Limited	15145.00
Loans/Advances paid	
M/s. Madhucon Binapuri JV	24.95
M/s. Nama Investments Limited	3000.42
Loans/Advances Received	
M/s. Madhucon Granites Limited	1000.00

As per our Report of even date attached

For Kota & Company
Chartered Accountants
FRN 011982S

For and on behalf of the Board

K.S.R.K. Prasad
Partner
M.No.22964

N.Seethaiah
Managing Director

S.Vaikuntanathan
Wholetime Director

E.N.Viswanath
Company Secretary

Place: Hyderabad
Date: 21-08-2010



MADHUCON PROJECTS LIMITED

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

ATTENDANCE SLIP

Regd. Folio No :

No. of Shares held :

Name:

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company held at Madhu Complex, 1-7-70, Jublipura, Khammam - 507 003, at 03.00 PM on Thursday, the 30th September, 2010.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

- Notes:
1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance slip to the meeting and handover at the entrance duly signed.
 2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



MADHUCON PROJECTS LIMITED

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

PROXY FORM

I/We.....of.....in the district of.....being member/members of MADHUCON PROJECTS LIMITED hereby appointof.....in the district ofor failing him..... ofin the district of..... my / our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th September, 2010 at 03.00 PM and at any adjournment(s) thereof.

Signed this.....day of.....2010

Reference No
Number of Shares

Revenue Stamp
Re.1/-

Note: The Proxy form must be returned so as to reach the Registered Office of the Company at Madhu Complex, 1-7-70, Jublipura, Khammam - 507 003 not less than **FORTY EIGHT HOURS** before the time for holding the aforesaid meeting.



BOOK-POST



MADHUCON
PROJECTS LIMITED
AN ISO - 9001 : 2008 COMPANY

If undelivered please return to:
"Madhucon House", Road No. 36, Jubilee Hills, Hyderabad - 500 033. INDIA

www.madhucon.com