

REPORT ON CORPORATE GOVERNANCE

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

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

Madhucon Projects Limited aims to maximize its contribution towards enrichment of quality of life and societal welfare by nurturing an excellent organization for nation building.

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 2014, the Board consist of 4 (Four) Directors. There is 1(One) Managing Director, 1(One) Whole-time Director and 2(Two) Independent Non-Executive Directors.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2014 has been set out here below:

Sl. No.	Name of the Director	Board Meetings attended during the financial year (2013-2014)	Meeting attended at Previous AGM held on 28.09.2013
1	Sri N. Seethaiah Managing Director	26	Yes
2	Sri K. Srinivasa Rao Whole-time Director	26	No
3	Dr. C. Venkateshwara Rao Independent Director	26	No
4	Sri P. Madhava Rao Independent Director	26	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	19	7	2
2	Sri K. Srinivasa Rao	Whole-time Director	20	8	5
3	Dr. C. Venkateshwara Rao	Independent Director	17	1	1
4	Sri P. Madhava Rao	Independent Director	3	1	0

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, Twenty Four (24) Board Meetings were held during the financial year ended 31.03.2014 on the following dates:

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
491	08.04.2013	496	13.07.2013	502	11.11.2013	506	08.01.2014
491 (Adjourned)	10.04.2013	497	14.08.2013	503	22.11.2013	507	14.02.2014
492	29.04.2013	498	03.09.2013	504	13.12.2013	508	20.02.2014
493	29.05.2013						
493 (Adjourned)	30.05.2013	499	16.09.2013	505	21.12.2013	509	22.02.2014
494	10.06.2013	500	27.09.2013			510	25.02.2014
495	25.06.2013	501	30.09.2013			511	03.03.2014
						512	07.03.2014
						513	25.03.2014
						514	31.03.2014

3. AUDIT COMMITTEE:

i. Brief description of terms of reference:

In terms of compliance with the requirement of clause 49(II) of Listing Agreement, the Audit Committee has been constituted consisting of qualified and independent Board members for providing accurate and transparent financial reporting to the Board and shall have the powers and roles to perform the functions as mentioned in Clause 49(II) (C) and 49(II) (D) of the Listing Agreement respectively read with Section 292 A of the Companies Act, 1956.

ii. Composition, Name of Members and Chairperson:

The Audit Committee was re-constituted on 29.04.2006 consisting of three members namely Dr. C. Venkateswara Rao, Independent Director as Chairman, Sri P. Madhava Rao, Independent Director and Sri K. Srinivasa Rao, Whole-time 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 28.05.2013, 14.08.2013, 11.11.2013, and 14.02.2014 and the attendance of the members of the Audit Committee as recorded is as under:

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

CGM (F&A), Head of Internal Auditors and representative of Statutory Auditors attended 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 reviews the information from time to time as specified in the said clause.

4. REMUNERATION COMMITTEE:

i. Brief description of terms of reference:

The terms of reference of Remuneration Committee are as follows:

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

ii. Composition, Name of the Members and Chairperson:

The Company has re-constituted the Remuneration Committee on 22.12.2012 consisting of three (3) members namely Dr. C.Venkateswara Rao, Independent Director as Chairman and Sri P. Madhava Rao, as Independent member and Sri K. Srinivasa Rao, Whole-time Director as member.

iii. Attendance during the year:

The Remuneration Committee met 1 (One) time, during the financial year under review, on 29.04.2013 and the attendance of the meeting by the members of the Committee as recorded is as under:

Sl. No.	Name of the Director	Position	No. of meetings Attended
1	Dr. C Venkateswara Rao	Chairman	1
2	Mr. P. Madhava Rao	Member	1
3	Mr. K. Srinivasa Rao	Member	1

iv. Remuneration Policy:

Remuneration Policy of the company will be determined by the Management from time to time with the recommendations of 'Nomination and Remuneration Committee' of Board of Directors and subject to the compliances of the provisions of the Companies Act, 2013 and rules made thereunder.

v. Details of Remuneration to all Directors:

Details of Remuneration of the following Directors for the financial year ended 31st March 2014 are as follows:

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

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 22.12.2012 consisting of three (3) members namely Sri P. Madhava Rao, Chairman, Sri K. Srinivasa Rao, Whole-time Director as Member, and Dr. C. Venkateswara Rao, Independent Director as Members of the Committee.

ii. Name and Designation of Compliance Officer:

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

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

During the period under review, the Company has received 34 Complaints from Shareholders and disposed of 34 and the balance is Nil.

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

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

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

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

vii. Attendance during the year:

The Shareholders/Investors Grievances Committee met 4 (Four) times during the year on 27-05-2013, 12-08-2013, 09-11-2013 and 12-02-2014 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	Dr. C.Venkateswara Rao	Member	4
3	Sri P. Madhava Rao	Member	4

Shares held by Non-Executive and Independent Directors:

Sl. No.	Name of the Director	Status	No. of Shares held	Percentage (%) of total shares
1	Dr. C.Venkateswara Rao	Independent	Nil	Nil
2	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
23 rd AGM(2012-2013)	28.09.2013, 3.00PM	Regd. Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Nil
22 nd AGM (2011-2012)	29.09.2012, 3.00PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	Issue of Further Securities.
21 st AGM (2010-2011)	30.09.2011, 3.00PM	Regd Office: Madhu Complex, 1-7-70, Jublipura, Khammam	1. Amendment of Unpaid Dividend Clause in Articles of Association. 2. Insert Nomination Clause in Articles of Association. 3. Insert Dematerialization of Securities Clause in Articles of Association. 4. Amendment of Attorney of the Company Clause in Articles of Association. 5. Issue of Further Securities.

iii. Special Resolution passed through Postal Ballot:

No Special Resolution was passed through Postal Ballot during 2013-2014.

iv. Voting through Electronic Means

To widen the participation of shareholders in company decisions, the Companies Act, 2013 and Securities and Exchange Board of India through Clause 35B of the Listing Agreement require a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings and in respect of those businesses which are transacted through postal ballot.

Hence the Company has provided the e-Voting facility to its shareholders / members through M/s Karvy Computershare Pvt. Ltd. (RTA) for the businesses to be transacted in the ensuing Annual General Meeting.

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 31.03.2014. 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 31.03.2014.

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

- i) None of the related party transactions of the Company have any material significance and potential conflict with the interest of the Company.
- 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) The Company has affirmed that no personnel has been denied to access to the Audit Committee under whistle blower policy.
- iv) The Company has complied all the mandatory requirements as required under Clause-49 of Listing Agreement.
- v) None of the Non- Executive Directors have any pecuniary relationships or transactions with the Company.
- vi) Material non-listed Subsidiary Companies as defined in Clause 49 of the Listing Agreement with Stock Exchanges - Given separately 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. SHAREHOLDERS COMMUNICATION:

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

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

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

- ii. The financial provisional un-audited results are published in a leading daily newspaper in English and in Regional language having nationwide circulation viz. Financial Express and Andhra Prabha.
- iii. These financial provisional results and shareholding pattern are submitted to National Stock Exchange in <https://www.connect2nse.com/LISTING/> and to Bombay Stock Exchange in <http://listing.bseindia.com/> and also it will be placed in Company's website <http://www.madhucon.com>.

iv. The performance of the quarterly, half yearly and annual together with financial results of the Company released time to time in media by the press statements and also displays on Company's website.

v. The Company from time to time made the presentations through video conference to institutional investors and/or to the analysts.

9. INVESTMENTS/EQUITY PARTICIPATION IN OTHER COMPANIES:

i) Madhucon Projects Limited Investments in Equity of Subsidiary Companies as on 31.03.2014

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: U45200TG2006PLC049235)	22.02.2006	122,20,27,045	10	1222,02,70,450	94.894
2	Madurai-Tuticorin Expressways Limited (CIN-U45203TG2006PLC050114)	11.05.2006	8,85,61,500	10	88,56,15,000	54.12
3	Madhucon Energy Limited (CIN- U45309TG2000PLC034007)	24.03.2000	1,00,090	5	5,00,450	99.95
4	Madhucon Mega Mall Private Limited (CIN-U45400TG2007PTC056734)	18.12.2007	20,000	10	2,00,000	66.66
5	Nama Hotels Private Limited (CIN-U55101TG2007PTC056818)	24.12.2007	2,71,21,200	10	27,12,12,000	99.96
6	Madhucon Heights Private Limited (CIN-U45209TG2007PTC056733)	18.12.2007	20,000	10	2,00,000	66.66
7	Agastyamuni Hydro Power Pvt. Ltd (CIN-U40108TG2010PTC068128)	28.04.2010	6,000	10	60,000	60.00
8	Rudraprayag Hydro Power Pvt. Ltd. (CIN-U40108TG2010PTC068130)	28.04.2010	6,000	10	60,000	60.00
9	Tilwara Hydro Power Private Ltd (CIN-U40300TG2010PTC068127)	28.04.2010	6,000	10	60,000	60.00

ii) Madhucon Projects Limited Investments in Equity of Foreign Subsidiary Companies as on 31.03.2014:

Sl.No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face value of Equity Share	Value of Equity Shares held	Percentage (%)
1	Madhucon Natural Resources Limited, Singapore (200603264W)	09.03.2006	750	S\$ 1/-	S\$ 750 (Equivalent to Rs.21036)	75.00

iii) Madhucon Projects Limited Investments in Equity of Group Companies (other than subsidiaries) as on 31.03.2014:

Sl.No	Name of the Company	Date of Incorporation	No. of Equity Shares held by Madhucon Projects Limited	Equity Share Face Value of Rs	Value of Equity shares held (Rs.)	Percentage (%)
1	Madhucon Sugar & Power Industries Limited (CIN:U15427TG2002PLC039859)	05.11.2002	4811500	10	48115000	10.36

2	MBN Anchored Earth Limited (CIN U45200TG1998PLC029310)	28.04.1998	40000	10	400000	40.00
3	Madhucon Properties Limited (CIN: U45200TG2005PLC045366)	15.02.2005	20000	10	200000	33.33
4	Madhucon Toll Highways Limited (CIN- U93000TG2008PLC060479)	05.08.2008	30000	10	300000	0.01
5	Madhucon Agra-Jaipur Expressways Limited (CIN-U45203TG2005PLC045689)	23.03.2005	100000	10	1000000	0.10
6	TN(DK) Expressways Limited (CIN- U45200TG2006PLC048941)	31.01.2006	100000	10	1000000	0.13
7	Trichy-Thanjavur Expressways Limited (CIN- U45200TG2006PLC049815)	13.04.2006	100000	10	1000000	0.15
8	Chhapra-Hajipur Expressways Limited (CIN- U45209TG2010PLC068742)	02.06.2010	100000	10	1000000	0.17
9	Simhapuri Energy Limited (CIN-U40101TG2005PLC048264)	02.12.2005	10000	10	100000	0.01
10	Rajanagaram Gas Power Private Limited (CIN- U40108TG2010PTC066560)	05.01.2010	488080	10	4880800	13.56
11	Ramnagar Power Private Limited (CIN- U40108TG2010PTC071246)	16.11.2010	10000	10	100000	50.00
12	Barasat-Krishnagar Expressways Ltd (CIN- U45203TG2011PLC073469)	24.03.2011	14000	10	140000	0.04
13	Ranchi Expressways Limited (CIN- U45209TG2011PLC073568)	29.03.2011	14000	10	140000	0.02
14.	Vijayawada – Machilipatnam Expressways Limited (CIN- U45209AP2011PLC077676)	28.11.2011	8000	10	80000	3.20
15.	Rajauli-Bakhtiyarpur Expressways Limited (CIN- U45203TG2012PLC080775)	07.05.2012	12000	10	120000	24.00

iv) Madhucon Projects Limited Investments in Equity of Foreign Group Companies (other than subsidiary) as on 31.03.2014:

Sl.No	Name of the Company	Date of incorporation	No. of Equity Shares held by Madhucon Projects Limited	Face value of Equity Share	Value of Equity Shares held	Percentage (%)
1	PT Madhucon Indonesia (Deed No.30) (H.R.01.01.TH 2006) Jakarta, Indonesia	19.12.2005	1,565,000	Rph.10,110	US\$1,565,000 (equivalent to Rs.943.08 Lacs)	10%
2	PT Madhucon Sriwijaya Power (Deed No.46) (Decree No.AHU-10886, AH:01.01.Tahun.2012 dated 28th February, 2012)	20.02.2012	5,000,000	Rph.9000	US\$5,000,000 (equivalent to Rs. 3013.05 Lacs)	25%

10. SEBI Prevention of Insider Trading:

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

11. Auditors' Certificate:

Auditors' Report certifying the compliance of Corporate Governance as required under clause 49 of the Listing Agreement is annexed herein forming a part of Corporate Governance Report.

12. GENERAL SHAREHOLDER INFORMATION:

i) AGM: Date, Time and Venue:

Date : 27th September, 2014
Day : Saturday
Time : 3:00 PM
Venue : Regd. Office: Madhu Complex, 1-7-70, Jublipura,
Khammam-507 003, Telangana

ii) Financial Year:

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

iii) Date of Book Closure:

The Share Transfer Register will be closed from 23.09.2014 to 27.09.2014 (inclusive of both days) to determine the entitlement of shareholders to receive the dividend, if any, declared for the financial year ended 31st March, 2014. 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 26th October, 2014

v) Listing on Stock Exchanges:

Bombay Stock Exchange (BSE)
Stock Code No.: BSE - 531497

National Stock Exchange (NSE)
Stock Code No.: NSE - MADHUCON

Luxembourg Stock Exchange
Security Name: Madhucon Projects Ltd.

vi) Stock Code:

INE 378D01032

vii) Market Price Data:

High and Low during each month in last financial year 2013-2014:

High and Low of Market Price of the Company's Equity Shares Traded on the BSE & NSE Stock Exchanges during the 12 months period ended 31st March 2014 are as under-

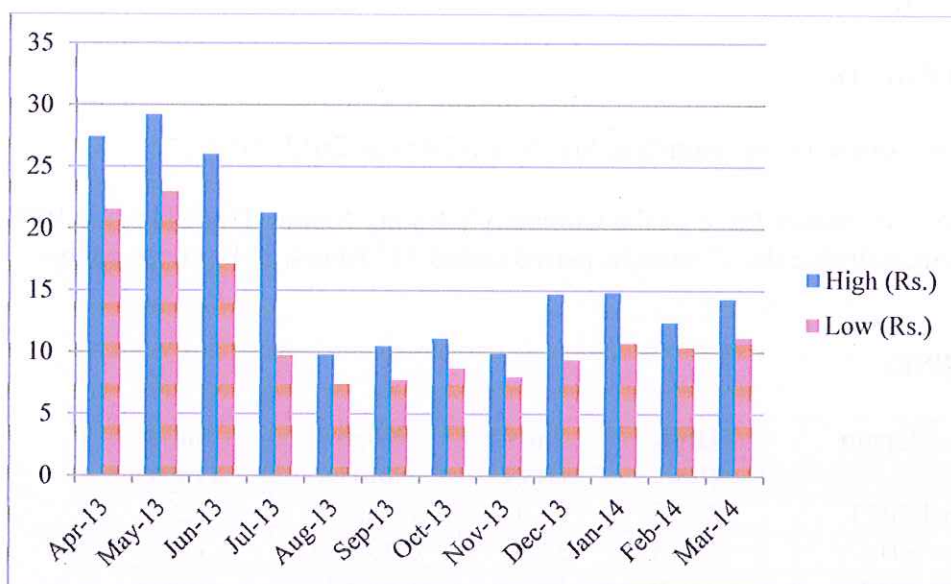
A) BSE:

Period	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April 2013	27.45	21.95	1,72,273	2,239
May 2013	29.15	23.00	6,43,569	3,343
June 2013	24.30	17.10	1,64,170	2,468
July 2013	22.20	9.70	5,43,995	4,610
August 2013	9.75	7.37	4,37,562	3,024
September 2013	10.40	7.77	4,13,324	2,224
October 2013	11.00	8.80	7,11,933	2,988
November 2013	10.00	8.11	11,48,394	4,999
December 2013	14.45	9.40	32,92,729	14,241
January 2014	14.75	10.60	9,79,620	6,029
February 2014	12.46	10.45	4,61,367	2,918
March 2014	14.30	11.30	5,41,350	4,371

B) NSE:

Period	High (Rs.)	Low (Rs.)	Traded Quantity No. of Shares
April 2013	27.40	21.55	5,59,058
May 2013	29.20	22.95	15,64,160
June 2013	26.00	17.15	4,57,303
July 2013	21.25	9.75	19,17,221
August 2013	9.80	7.40	15,08,917
September 2013	10.50	7.75	20,15,916
October 2013	11.10	8.70	27,27,145
November 2013	9.90	8.00	50,41,154
December 2013	14.70	9.40	86,93,374
January 2014	14.85	10.75	32,03,556
February 2014	12.40	10.40	16,78,986
March 2014	14.30	11.20	20,21,800

Share Price Movement Diagram:



viii) Registrar and Transfer Agents:

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

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

E-mail: madhusudhan@karvy.com

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

ix) Share Transfer System:

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

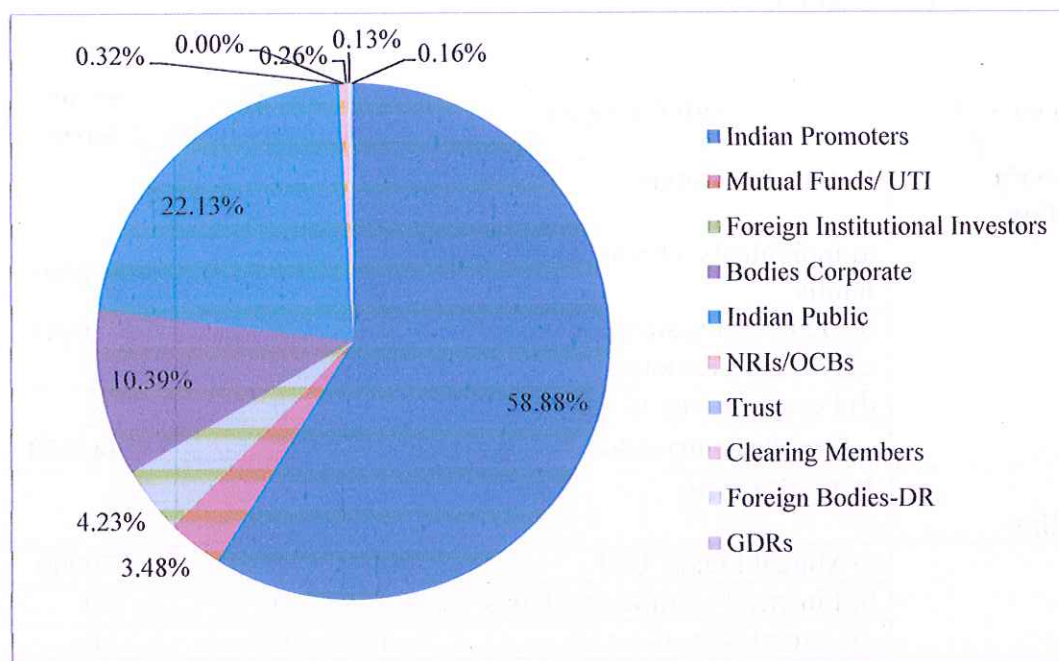
x) A) Distribution of Shareholding as on 31st March, 2014

Equity Share holding of nominal Value of Rs. 1/- each	Equity Shareholders		Equity Shares Amount	
	Numbers	%	In Rs.	%
1 - 5,000	13006	96.44	5829399	7.90
5,001 - 10,000	233	1.73	1764710	2.39
10,001 - 20,000	105	0.78	1469665	1.99
20,001 - 30,000	44	0.33	1081952	1.47
30,001 - 40,000	16	0.12	564693	0.77
40,001 - 50,000	16	0.12	725183	0.98
50,001 - 1,00,000	28	0.21	1993561	2.70
1,00,001 - Above	38	0.28	60365777	81.80
TOTAL	13486	100.00	73794940	100.00

B) Shareholding Pattern as on 31st March 2014 in terms of Clause 35 of Listing Agreement is as follows:

Category	Sub Category	No. of Shareholders	No. of Shares	% of Shares
A) Promoter's Shareholding	Indian Promoters			
	a) Individuals/ Hindu Un-dividend family	18	31028595	42.05
	b) Bodies Corporate	3	12416943	16.83
	c) Foreign Promoters	0	0	0
	d) Persons acting in Concert	0	0	0
	Total Promoters Shareholdings (A)	21	43445538	58.88
B) Public Shareholding	1) Institutions			
	a) Mutual Funds/ UTI	1	2570000	3.48
	b) Financial Institutions/Banks	0	0	0
	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	4	3124832	4.23
	g) Foreign Venture Capital Investors	0	0	0
	2) Non- Institutions			
	a) Bodies Corporate	356	7669279	10.39
	b) Individual Shareholders holding:			
	i) Nominal share capital up to Rs.1 Lakh.	12856	10607425	14.37
	ii) Nominal share capital in excess of Rs.1 Lakh	11	5730403	7.77
	c) NRI/OCB	166	235747	0.32
	d) Trust	1	3000	0.00
	e) Clearing Members	67	194416	0.26
	f) Foreign Bodies-DR	2	93500	0.13
	Total Public Shareholding (B)	13464	30228602	40.96
C) Shares held by Custodians and against which depository receipts have been issued	Duetches Bank Trust Company Americas – GDR's	1	120800	0.16
	Total (C)	1	120800	0.16
	Grand Total: (A)+(B)+(C)	13486	73794940	100.00

Shareholding Distribution



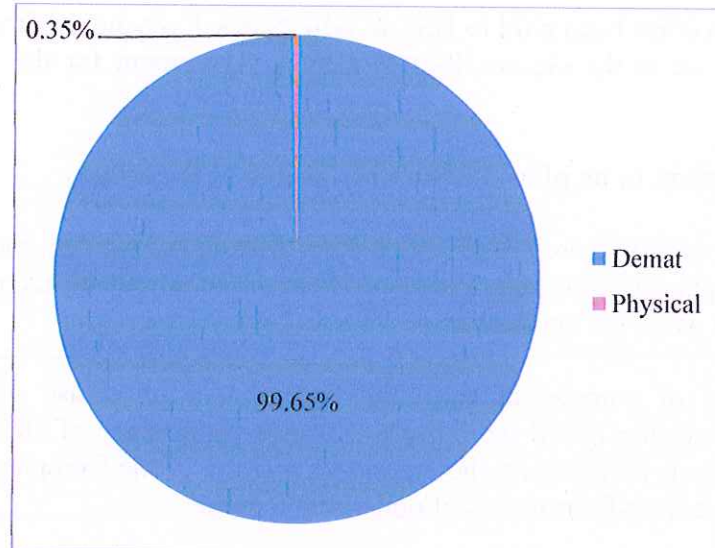
C) Top Shareholders as on 31st March 2014 holding more than 1%

Category	Name	No. of Shares	% of Shares
A) Promoter's Holding			
Individuals	Nama Nageswar Rao	10732262	14.54
	Nama Chinnamma	6158000	8.34
	Seethaiah Nama	6001800	8.13
	Nama Krishnaiah	2676183	3.63
	Nama Prithvi Teja	1001500	1.36
	Kamma Srinivasa Rao	1009000	1.37
	Total (A)	39267155	53.21
B) Public Shareholding			
B1) Institutional Investors			
a) Mutual Funds	Sundaram Mutual Fund A/C Sundaram Select Midcap	2570000	3.48
b) Foreign Institutional Investors	Copthall Mauritius Investment Limited	2699891	3.66
B2) Non Institutions	ICICI Prudential Life Insurance Company Ltd	3673484	4.98
B3) Individual	1) Ashish Dhawan	1794999	2.43
	2) Chandra Singh Lodha	1745995	2.37
	Total (B1 + B2 +B3)	12484369	16.92

xi. Dematerialization of shares and liquidity:

7,35,37,430 Equity Shares equivalent to 99.65 % of the total equity share capital have been de-materialized and 2,57,510 are in physical form equivalent to 0.35% as on 31st March 2014.

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



xii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity - No outstanding instruments.

xiii. Plant Locations – Not applicable since the company is not engaged in manufacturing activities.

xiv. Address for Correspondence:

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

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar

Madhapur, Hyderabad-500 081

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

E-mail: madhusudhan@karvy.com

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

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

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

Company Secretary & Compliance Officer:

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

13. Listing Fees:

Listing fee has been paid to BSE & NSE Stock Exchanges within the prescribed time limit as set in the clause 38(a) of Listing Agreement for the Financial Year 2014-2015.

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 2014.

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.)
2012-2013	Final	10	0.10	7379494
2011-2012	Final	10	0.10	7379494
2010-2011	Final	25	0.25	18448735

ECS Facility for Dividend Payment

The Company has provided facility of Electronic Clearing Services (ECS) for payment of dividend to shareholders for the financial year ended 31.03.2013 as per Securities and Exchange Board of India (SEBI) Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013.

Unclaimed Dividend

In terms of Section 205A and 205C of the Companies Act, 1956, the company is required to transfer the amount of dividend which remains unpaid and unclaimed for a period of seven years from the date of transfer of dividend to the unpaid dividend account to the Investor Education and Protection Fund (IEPF) Hence the shareholders are advised to claim their dividend(s) before transfer of the same to IEPF. During the financial year 2013-14, the Company has transferred the unclaimed dividend a sum of Rs. 1,00,747/- pertaining to the year 2005-06 to IEPF.

18. Profile of Directors:

Sri Kandimalla KVN Prasad, Additional Director under Independent director category:

Sri Kandimalla KVN Prasad has been appointed as an Additional Director under Independent director category by your Board at its meeting held on 09.08.2014 and he will continue in office till the ensuing Annual General Meeting.

Sri Kandimalla K.V.N.Prasad aged about 43 years, post graduated in M.Tech and having experience of 18 years in project, IT and financial management including ERP systems and as CEO from 2006 – 2013 in a reputed power company responsible for development in power (Coal and Wind Power) resources and infrastructure.

Smt. Ch. Lakshimi Kumari, Additional Director under Independent-Woman Director category:

Smt. Ch. Lakshimi Kumari has been appointed as an Additional Director under Independent-Woman Director category by your Board at its meeting held on 09.08.2014 and she will continue in office till the ensuing Annual General Meeting.

Smt. Ch. Lakshimi Kumari, aged about 58 years and graduated in B.Sc, B.Ed. She is an educationist and inspired to develop the learning modules with technical and scientific aspirations in teaching profession and upliftment of backward and girijan children and youth in order to build the future managers of India.


19. Declaration of compliance with the Code of Conduct:

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

Place: Hyderabad
Date: 09.08.2014

For and on behalf of the Board



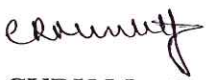

N. Seetharam
Managing Director

20. CEO Certification:

In terms of compliance with the requirements of clause 49(V) of the Listing Agreement, Sri N. Seethaiah, Managing Director as CEO and Sri CVRK Murthy, GM (F&A) of the Company certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - 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 into by the Company during the year which is fraudulent, illegal or violates of the company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal control if any of which we are aware and steps that we have taken or proposed to take to rectify these deficiencies.
- d) Further, we have indicated to the Auditors and the Audit Committee
 - 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.

Place: Hyderabad
Date: 09.08.2014


CVRK Murthy
General Manager
Finance & Accounts


N. Seethaiah
Managing Director



Auditor's Certificate on Compliance of Corporate Governance

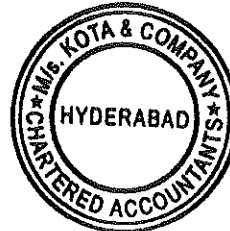
We have examined the compliance of conditions of Corporate Governance by Madhucon Projects Limited having its Regd. Office at: 1-7-70, Jubilipura, Khammam – 507 003, Andhra Pradesh for the year ended 31st March, 2014 as stipulated in Clause-49 of the Listing Agreement of the Company with Stock Exchanges 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, 2014, no Investor Grievances are pending against the Company as per the records maintained by the Company Registrar & Transfer Agents and SEBI SCORES and presented to the investors/shareholders grievance committee. We further state that such compliance is neither an assurance as for the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For KOTA & COMPANY
Chartered Accountants
FRN 011982S



K.S.R.K. Prasad

K.S.R.K. Prasad
PARTNER

Membership No.022964

Place: Hyderabad
Date: 09.08.2014