



MADHUCON
PROJECTS LIMITED



14th
ANNUAL REPORT
2 0 0 3 - 2 0 0 4



FOURTEENTH ANNUAL GENERAL MEETING

ON SATURDAY THE 25TH SEPTEMBER 2004 AT 2.00 PM

AT MADHU COMPLEX, 1-7-70, JUBILIPURA, KHAMMAM – 507 003.

YOUR COMPANY

1. Has Completed National Highway NH-76 between Chittorgarh and Mangalwar well before schedule date of completion.
2. Has successfully completed the widening of 57.21 Km National Highway Project, NH - 5 between Tada - Nellore Section ahead of scheduled date of completion.
3. Has recently secured an order for execution of Madhya Pradesh State Highway Corridor Project costing Rs.62 Crores.
4. Has secured an order from Maharashtra Irrigation Department for construction of Dam at a cost of Rs.110 Crores across river Penuganga.
5. Has been short listed in National Highway BOT Project costing Rs.250 Crores, floated by National Highway Authority Of India.

BOARD OF DIRECTORS

N. NAGESWAR RAO

Chairman

S.V. PATWARDHAN

Managing Director

N. SEETHAIAH

Joint Managing Director

N. KRISHNAIAH

Director

T. VENUGOPAL RAO

Director

S.VAIKUNTANATHAN

Director (Finance)

REGISTERED OFFICE

1-7-70, MADHU COMPLEX, JUBILIPURA,
KHAMMAM - 507 003.

ADMINISTRATIVE OFFICE

D-27, EAST OF KAILASH, NEW DELHI - 110 065.

CORPORATE OFFICE

"MADHUCON HOUSE", PLOT NO.1129/A,
ROAD NO.36, HITEC CITY ROAD,
JUBILEE HILLS, HYDERABAD - 500 033.

BANKERS

CANARA BANK
ICICI BANK LIMITED
ORIENTAL BANK OF COMMERCE
CENTURION BANK LIMITED
BANK OF BAHRAIN & KUWAIT BSC
ANDHRA BANK
IDBI BANK LIMITED
CITI BANK N.A.
STATE BANK OF HYDERABAD

AUDITORS

K SIVA RAMA KRISHNA PRASAD & CO.
CHARTERED ACCOUNTANTS
H.NO. 331, (PLOT NO.13), ROAD NO.3,
ARORA COLONY - 2, BANJARA HILLS,
HYDERABAD - 500 034.

R.S. DESHMUKH

Company Secretary



NOTICE

To
The Members
Madhucon Projects Limited

Notice is hereby given that the 14th Annual General Meeting of Madhucon Projects Limited will be held on Saturday 25th day of September 2004 at 2.00PM at the Registered Office of the Company situated at "Madhu Complex" 1-7-70, Jubilipura, Khammam- 507 003 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2004 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 Director in the place of Sri T Venugopal Rao who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend on the Equity Shares.
4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.
"RESOLVED THAT M/s K Siva Rama Krishna Prasad & Co. Chartered Accountants, be and are hereby re-appointed as 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 as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT Sri S V Patwardhan who was appointed as additional Director of the Company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as the Director of the Company liable to retirement by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT Sri S Vaikuntanathan who was appointed as additional Director of the Company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as the Director of the Company liable to retirement by rotation."
7. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT Sri N Nageswar Rao who was appointed as additional Director of the Company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as the Director of the Company liable to retirement by rotation."
8. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT subject to the provisions of section 269,309,310,311 Schedule XIII and all applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the appointment of Shri S V Patwardhan as Managing Director of the Company for a period of 2 years w.e.f. 05.03.2004 on payment of Salary of Rs.30, 000/- per month (inclusive of perquisites)."
9. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
"RESOLVED THAT subject to the provisions of sections 269,309,310,311 Schedule XIII and all applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the appointment of Shri S.Vaikuntanathan as Director of the Company for a period of 2 years w.e.f. 05.03.2004 on payment of Salary of Rs.17500/- per month (inclusive of perquisites)."

MADHUCON PROJECTS LIMITED



10. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
- “RESOLVED THAT the authority of the Company be and is hereby accorded in pursuance of clause 23 of the Listing Agreement entered into by the company with the Stock Exchanges, to re-issue 47500 equity shares of Rs.10/- each which have been forfeited, to such persons including the promoters under this authority subject to the necessary compliance of SEBI (Substantial Acquisition and Takeovers) Regulations, 1997.”
11. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
- “RESOLVED THAT the consent of the company under the provisions of section 293(1)(d) and other applicable provisions if any of the amended provisions of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company borrowing from time to time as may deem fit not withstanding that the monies already borrowed by the Company (apart from temporary loans obtained from Company’s bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves if any that is to say reserves not set apart for any specific purpose provided that the total amount of the monies already borrowed (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) shall not exceed Rs.1500.00 Crores (Rupees One Thousand Five Hundred Crores only) outstanding at any one time and that for the implementation of the resolution the board may act through any member thereof or any other person duly authorized by the board in that behalf.”
12. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution.
- RESOLVED THAT existing Clause V of the Memorandum of Association of the company be deleted and in its place the following clause V be inserted.
- V. The Authorised Share Capital of the Company is Rs.16, 00,00,000/- (Rupees Sixteen Crores only) divided in 110,00,000 (One crore Ten lacs) Equity Shares of Rs.10/- (Rupees ten only) each and 5,00,000 (Five Lacs) Redeemable Preferences Shares of Rs.100/- (Rupees One Hundred only) each.
- The company will have the right to increase and 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 of special rights, privilege, or conditions 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.
13. To Consider and if thought fit to pass with or without modifications the following resolution as Special Resolution.
- RESOLVED THAT the existing Article 4 of the Articles of Association be deleted and the following Article 4 be inserted.
- That Authorised Share Capital of the Company is Rs.16,00,00,000 (Rupees Sixteen Crores) comprised of:
- 110,00,000 (One crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) - Rs. Eleven Crores.
- 5,00,000(Five Lacs) 12% Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each repayable at the end of 7th year.-Rs. Five crores.
- The holders of the said Redeemable Preferences Shares shall be entitled to be paid @12% (Twelve percent) Dividend per annum out of the profits to be distributed by way of Dividend or such other rate or rates to be determined by the Board of Directors or as and when rate of in respect of Preference Shares increased by appropriate authorities. The payment of preference Dividend will be subject to deduction of Tax at Source at the prescribed rates.
- The preferences Share Capital will be repaid at the end of 7th year fully out of the profits or from the fresh issue thereof. The said Preference Shareholders will have the right on winding up to be repaid the amount of capital paid-up in respect of such Redeemed Preference Share held by them respectively in priority to any payment in respect of the Ordinary Equity Shares but shall not be entitled to any other rights in the profits of the company.

Place: Hyderabad
Date: 20-08-2004

By Order of the Board of Directors

R.S. Deshmukh
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 him self and the proxy need not be a member. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. Proxy form is enclosed.
2. The Register of Members and Share Transfer Books will remain closed from 23.09.04 to 25.09.04 (both days inclusive).
3. Dividend on Equity Shares when declared will be paid to the Members whose names appear in the company's Register of Members as on 25.09.2004 (AGM date) In respect of shares held in Electronic mode the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.
4. In order to provide protection against fraudulent encashment of warrants, shareholders holding shares in physical form are requested to intimate the following information to the company under the signature of the sole/first joint holder.
 - a) Name of the Sole / first joint holder and folio no.
 - b) Particulars of Bank account
 - (i) Name of the Bank & address of the Branch
 - (ii) Type of Account
 - (iii) Account Number
 - c) The company will use Bank Account details provided by the Depositories Participants (DP) for the printing on the dividend warrants. Shareholders who wish to change such Bank Accounts may advise their DP's about such change with complete details of Bank Account, including MICR code.
5. The Unclaimed /Unpaid Dividend amount for the year 1995 - 96 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956.
6. The Share holders are requested to inform the change of address to the Registrars and Share transfer Agents (RTA) M/s Sathguru Management Consultants Pvt. Limited, Plot No.15 Hindi Nagar, Panjagutta, Hyderabad - 500034.
7. Explanatory statement for the special business mentioned in the notice is annexed as per the provisions of section 173 of the Companies Act, 1956.

Annexure:

Explanatory Statement in terms of section 173 of the Companies Act, 1956 for the special business mentioned in the notice.

Sl.No.5.

The Board of Directors at their meeting held on 05.03.2004 co-opted Sri S V Patwardhan as Additional Director. As per the provisions of section 260 of the Companies Act, 1956 Sri S V Patwardhan holds office of the Director till the ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature of Sri S V Patwardhan as Director of the company. None of the Directors are interested or concerned in the resolution except the appointee.

Sl.No.6.

The Board of Directors at their meeting held on 05.03.2004 co-opted Sri S Vaikuntanathan as Additional Director. As per the provisions of section 260 of the Companies Act, 1956 Sri S Vaikuntanathan holds office of the Director till the ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature of Sri S Vaikuntanathan as Director of the Company. None of the Directors are interested or concerned in the resolution except the appointee.

Sl.No.7

The Board of Directors at their meeting held on 15.05.2004 co-opted Sri N Nageswar Rao as Additional Director. As per the provisions of section 260 of the Companies Act, 1956 Sri N Nageswar Rao holds office of the Director till the ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 proposing the candidature of Sri N Nageswar Rao as Director of the company. Sri N Krishnaiah and Sri N Seethaiah Directors of the Company (being relatives) shall be deemed to be concerned or interested in the resolution.

**Sl.No.8**

The Board of Directors at its meeting held on 05.03.2004 appointed Sri S V Patwardhan as the Managing Director of the Company on payment of remuneration as detailed in the resolution. Sri S V Patwardhan is an Engineer having rich experience of more than 3 decades in the field of construction and has held senior positions in the public sector undertaking. He has been associated with the Company for more than 10 years and has made valuable contributions for the growth of the company. The Directors commend the resolution for appointment and payment of remuneration to the Managing Director for approval of the shareholders. None of the Directors shall be deemed to be concerned or interested in the resolution except the appointee himself. This may be treated as an abstract of the terms of the appointment of the Managing Director for the purpose of section 302 of the Companies act, 1956.

Sl.No.9

The Board of Directors at its meeting held on 05.03.2004 appointed Sri S Vaikuntanathan as Director (Finance) in the whole time employment of the Company on payment of remuneration as detailed in the resolution. Sri S Vaikuntanathan is Science graduate, FCA, CAIIB and has rich experience in Banking, Finance and Accounts. Prior to his appointment as Director he has held the position of Vice-President (Finance) in the company. The Directors commend the resolution for appointment and payment of remuneration to the Director (Finance) for approval of the shareholders. None of the Directors shall be deemed to be concerned or interested in the resolution except the appointee himself. This may be treated as an abstract of the terms of the appointment of the Director (Finance) for the purpose of section 302 of the Companies Act, 1956.

Sl.No. 10

The Board of Directors at their meeting held on 14.02.2004 forfeited 47500 equity shares of Rs.10/- for non - payment of allotment money and premium amount. Several reminders and individual letters were sent to the shareholders from whom the money was due requesting them to pay the arrears failing which the shares would be forfeited. After forfeiture necessary declaration of the forfeiture was duly made and the members concerned have also been intimated individually. In terms of clause 23 of the Listing Agreement it is notified that it is open to any member of the company to intimate the Board of Directors on or before the date of this Annual General Meeting their willingness to apply for acquiring these shares at the price to be decided by the Board. If there are applications for more shares than that are available the available shares will be issued on proportionate basis without any preference or priority to any person. Article 48 of the Articles of Association of the Company empowers the Board of Directors to dispose of the forfeited shares on such terms and in such manner as the Board thinks fit. The Directors shall be deemed to be concerned or interested in the resolution to the extent of their acquisition.

Sl.No.11

At the Annual General Meeting of the Company held on 29.09.01 the Company had accorded its consent under section 293(1)(d) of the Companies Act, 1956 to Board of Directors borrowing money up to a limit of Rs.250.00 crores (excluding temporary loans obtained from Company's Bankers in the ordinary course of business) Taking into account the further requirement of finance for new projects a fresh resolution is proposed empowering the Board of Directors to borrow monies beyond the existing limit and fixing the new limit of borrowing not exceeding Rs.1500.00 crores. None of the Directors are interested or concerned in the resolution.

Sl.No.12

It is proposed to re-structure the existing Authorised Share Capital of the Company comprising of Equity and Preference Shares. Any alteration in Memorandum of Association requires approval of the Shareholders hence the same is put for the approval of shareholders. None of the Directors of the Company are interested or concerned in the said resolution.

Sl.No.13

As consequence of the alteration in the Authorised Share Capital clause in the Memorandum of Association of the Company corresponding change in the Article of Association of the Company is required. The alterations is put up for the approval of the shareholders. None of the Directors of the company are interested or concerned in the resolution.

Place: Hyderabad.
Date: 20-08-2004

By Order of the Board of Directors

R.S. Deshmukh
Company Secretary



DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present their Fourteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2004.

The Government continues the priority for development of Roads and National Highways including under NHDP Programme of National Highway Authority of India. The prospects of your Company are expected to be very bright in the coming years.

FINANCIAL HIGHLIGHTS	(Rupees in Lakhs)	
	2003 - 04	2002 - 03
Gross Income	30530.76	23681.70
Profit before Depreciation & Taxation	4038.78	3546.16
Depreciation	1406.85	1175.95
Profit before Taxation	2631.93	2370.21
Provision for Taxation	696.00	455.36
Profit after Taxation	1935.93	1914.85
Profit available for appropriation	1935.93	1914.85
APPROPRIATION		
Proposed Dividend @ 15%	75.39	75.55
Balance transferred to Balance Sheet	1860.54	1839.30
Earnings per Share (Rs.)	37.01	36.25
Book Value (Rs.)	143.74	101.75
Paid-up Equity Share Capital	502.62	503.63
Reserve excluding Revaluation Reserve	6728.38	4863.10

REVIEW OF OPERATIONS:

During the year under review, your company achieved a Gross Income of Rs.30530.76 lakhs as against Rs.23681.70 lakhs of previous year. This represents a growth of 28.92% over the previous year. After providing depreciation of Rs.1406.85 lakhs (previous year Rs.1175.95 lakhs) your company earned a profit of Rs.1935.93 lakhs as against Rs.1914.85 lakhs of previous year.

MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company has successfully completed the widening of 57.21 Km National Highway Project, NH-5 between Tada-Nellore Section ahead of scheduled date of completion. Your Company has completed National Highways Projects NH-76 in Rajasthan between Chittorgarh-Mangalwar five months ahead of scheduled date of completion. The Road has been dedicated to the nation on 11.02.2004. The strengthening of road having 4-lane dual carriage in Tuni-Anakapally section on NH-5 in Andhra Pradesh is progressing well. The rehabilitation and upgrading 4 laning of Tambaram-Tindivanam Section 52.00 Km. National Highway Project NH-45 in Tamilnadu is progressing as per schedule.

The Construction of Ahirkheda Tunnel of Indira Sagar Project and construction of Dam at Shivpuri in Madhya Pradesh is planned to be completed during 2004-2005.



FUTURE OUTLOOK

Based on the works under execution and orders on hand, delivery schedules committed and tenders being participated, the prospects of the Company are expected to be bright during the Financial Year 2004-2005. Recently the Government of Maharashtra has issued Letter of Intent for construction of Dam across Penuganga River costing Rs.110.00 crores. Your company has received an order for Construction of MP State Highway corridor project costing Rs.62 crores. Further your company is shortlisted in a National Highway BOT project costing Rs.250 crores floated by National Highways Authority of India. With the Government of India and other state Governments planning to give major thrust to irrigation sector, your company is confident of bagging substantial orders in the irrigation sector in the coming years.

DIVIDEND

Your Directors are pleased to recommend an Equity Dividend of 15% on paid up Capital for the year ended 31.03.2004 subject to approval of the Members at the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of accounts for the financial year ended 31st March 2004; the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- b) That the Directors have selected the 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 year under review and of the Profit of the Company, for the year under review.
- 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 fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31st March 2004 on a "going concern" basis.

DIRECTORS

During the year Sri N Nageswar Rao Chairman & Managing Director, Sri P R Sinha, Director of the Company resigned from the Board due to pre-occupations. The Board at its meeting held on 05.03.2004 has co-opted shri S.V.Patwardhan and shri S.Vaikuntanathan as additional Directors. Sri S V Patwardhan has been appointed as Managing Director and Sri S Vaikuntanathan has been appointed as Director (Finance). Sri N.Seetahaiah Executive Director has been re-designated as Jt Managing Director of the Company, Sri N.Nageswar Rao was co-opted as Additional Director at the meeting of the board of Directors of the company held on 15.05.2004. Sri N.Nageswar Rao, Sri S.V.Patwardhan and Sri S.Vaikuntanathan hold the office of Director until the conclusion of the ensuing Annual general Meeting as per the provisions of section 260 of the Companies Act, 1956. The appointment of Sri N.Nageswar Rao as Director is being placed at the ensuing Annual General Meeting for the approval of the shareholders. The appointment and payment of remuneration to Sri S V Patwardhan as Managing Director and Sri S Vaikuntanathan as Director (Finance) is placed before the ensuing Annual General Meeting for the approval of the shareholders. Sri T Venugopal Rao retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

CORPORATE GOVERNANCE

Your Company has taken steps for effective implementation of Corporate Governance and the compliance of Corporate Governance Report duly certified by the Auditors are enclosed as Annexure II in this Report.

EMPLOYEE RELATIONS

The relations with the employees continue to be cordial. Your Directors express their appreciation for the dedicated services of the Employees and Officers of the company for fulfilling the objectives and attaining the goals of the company.

None of the employees of the company was in receipt of remuneration, which in the aggregate exceeded the limits fixed under Sub-Section (2A) of Section 217 of the Companies Act, 1956.



PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particular in the report of Board of Directors) Rules, 1988 particulars with respect to conservation of energy is enclosed as Annexure-I in this report.

AUDITORS

M/s. K. Siva Rama Krishna Prasad & Co., Chartered Accounts, the present auditors of the companies have expressed their willingness to accept the reappointment as Auditors for the financial year 2003-2004 to hold office upto the conclusion of the next Annual General Meeting.

ACKNOWLEDGMENTS

Your Directors express their appreciation to the Company's foreign collaborators, Bina Puri Holdings Bhd, Malaysia, United Engineers, Malaysia, GMR Infrastructure, Anchored Earth Sdn Bhd, Malaysia, Bankers especially Andhra Bank, Canara Bank, CITI Bank, Oriental Bank of Commerce, IDBI Bank, Centurion Bank Limited, ICICI Bank Limited, Bank of Bahrain & Kuwait BSC and Central Government, State Government Authorities including National Highways Authority of India (NHAI), and other clients, consultants and suppliers for their support and co-operation.

By Order of the Board

Place: Hyderabad
Date: 20.08.2004

N.NAGESWARA RAO
Chairman

ANNEXURE - I TO DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTORS' REPORT

I ELECTRICITY

a) Power Consumption	302827 Units
b) Value	Rs.2256062.
c) Rate per unit	Rs.7.45.

II FOREIGN EXCHANGE EARNINGS & OUTGO

a) Foreign Exchange earned	-Nil-
b) Foreign Exchange outgo	Rs.1173880

ANNEXURE-II TO DIRECTORS' REPORT **CORPORATE GOVERNANCE REPORT**

1. COMPANY PHILOSOPHY

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 and to be in the league of top ten construction companies of the nation and to become the most respected global construction 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 and integrity in the functioning of the company and shareholders, collaborators, Joint Venture Partners, Creditors, Bankers, Financial Institutions, Clients and Customers. 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

a) Composition of the Board

The Company aims to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and to separate the functions of Governance and Management through EXCO Board and Management Committees.

As on 31st March 2004, the Board consists of 5 (Five) Directors. There are 3 (Three) Whole Time Directors and the remaining 2 (Two) are the Non-Executive Directors of whom 1 (One) is Independent.

The Composition and Category of the Board of Members and the Number of other Directorships are set out below:

Name of the Director	Position	No. Of Directorships held in other companies	Committee Chairmanship, Membership held in other companies
S.V. Patwardhan	Managing Director (appoint w.e.f.05.03.04)	0	0
N.Seethaiah	Joint Managing Director (redesignated w.e.f 05.03.2004)	7	3
N.Krishnaiah	Director	7	3
T.Venugopal Rao	Director (Independent)	5	3
S.Vaikunthanathan	Director (Finance) (appoint w.e.f.05.03.2004)	0	0
N.Nageswar Rao	Chairman & Mg.Director (Resigned w.e.f 05.03.04)	6	0
P R Sinha	Director (Resigned w.e.f 05.03.04)	0	0

b) Number of Board Meetings

During the period ended 31st March 2004, 28 (Twenty Eight) Board Meetings were held on the following dates:

30.04.2003	03.10.2003	12.12.2003	08.03.2004
20.05.2003	18.10.2003	24.12.2003	11.03.2004
28.06.2003	31.10.2003	31.01.2004	23.03.2004
15.07.2003	10.11.2003	14.02.2004	31.03.2004
30.07.2003	22.11.2003	23.02.2004	-
16.08.2003	01.12.2003	28.02.2004	-
25.08.2003	06.12.2003	03.03.2004	-
10.09.2003	10.12.2003	05.03.2004	-