

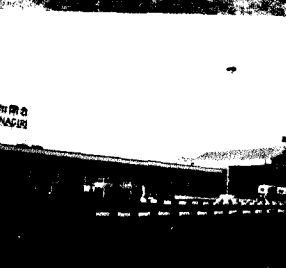
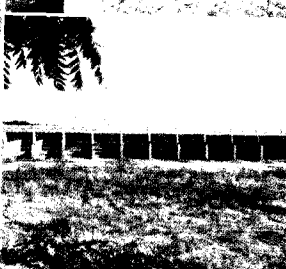
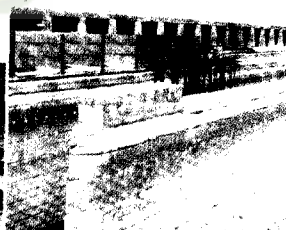
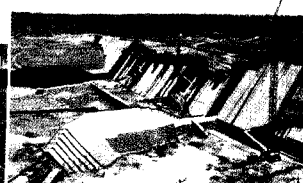
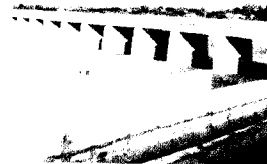


# MADHUCON

PROJECTS LIMITED

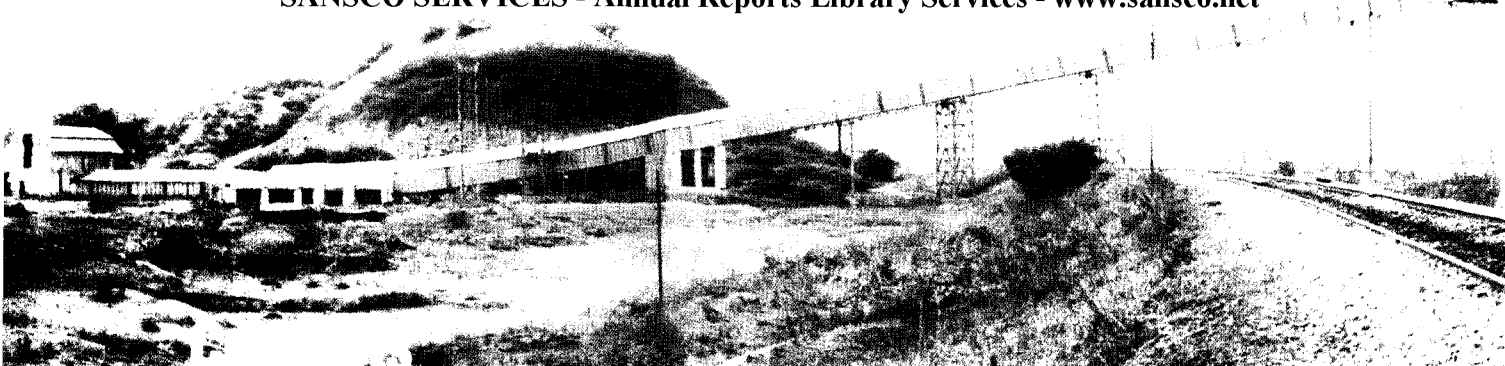
16<sup>th</sup>

ANNUAL REPORT  
2005 - 2006

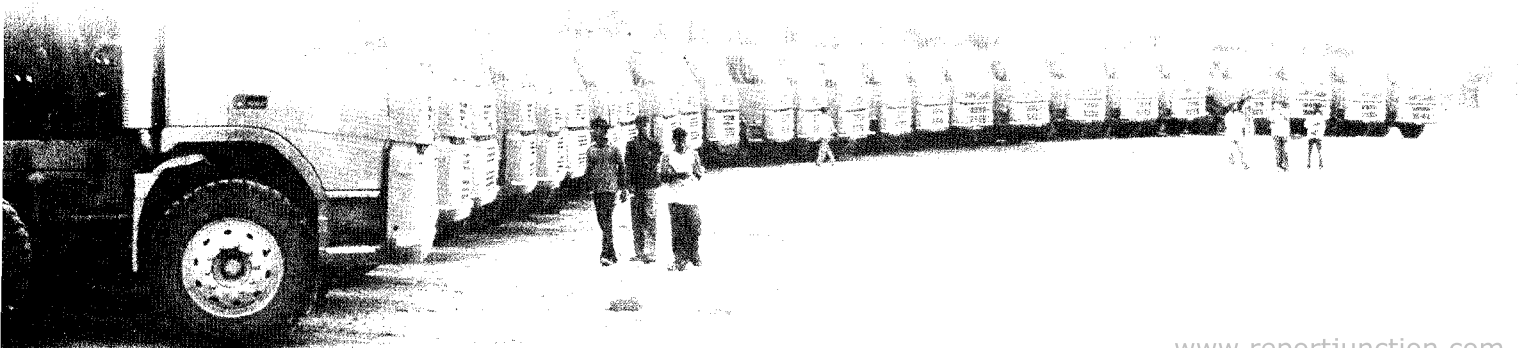


ONSTRUCTIVE TO THE CORE

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## From the Chairman's Desk

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Dear Shareholders,

Robust growth in the Indian Economy has resulted in huge opportunities for Infrastructure Development such as National Highways, Irrigation facilities, Hydro Power, Bridges, Railways, Ports, Airports and Real Estates. The Government is encouraging private participation in funding Infrastructure projects, which has opened up new avenues for your company to increase its share in the Infrastructure Development activities. During the last year your company has bagged 3 BOT Tollway Road projects from National Highway Authority of India in Tamil Nadu. National Highways and Irrigation projects shall continue to trigger the growth of your company in the medium and long term. Madhucon is also exploring the new Infrastructure Development areas such as Real Estates, Hydro Power and is constantly on the look out to attract, retain and develop manpower resources. Our vision to achieve to be the best Construction Engineering Company in the country is made possible with outstanding commitment and work of our Employees, support of Customers, Bankers, Business Associates, and Shareholders.

**N Nageswar Rao**  
*Chairman*

## Board of Directors

### **N. NAGESWAR RAO**

Chairman

### **S.V. PATWARDHAN**

Managing Director

### **N. SEETHAIAH**

Joint Managing Director

### **S. VAIKUNTANATHAN**

Director (Finance)

### **K. SRINIVASA RAO**

Director

### **C. VENKATESWARA RAO**

Independent Director

REGISTERED OFFICE

1-7-70, Madhu Complex, Jubilipura  
KHAMMAM-507 003

### **P. MADHAVA RAO**

Independent Director

ADMINISTRATIVE OFFICE

D-27, East of Kailash,  
New Delhi- 110 065

GENERAL MANAGER(LEGAL) &  
COMPANY SECRETARY

### **A MOHAN RAMI REDDY**

CORPORATE OFFICE

"Madhucon House", Plot No.1129/A  
Road No.36, Hitech City Road,  
Jubilee Hills, Hyderabad-500 033.

### **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.

### **BANKERS**

Canara Bank

ICICI Bank Limited

Oriental Bank of Commerce

Centurion Bank Limited

Bank of Bahrain & Kuwait BSC

State Bank of India

IDBI Bank

State Bank India, New York

United Bank of India

ICICI Bank, Singapore

State Bank of Bikaner & Jaipur

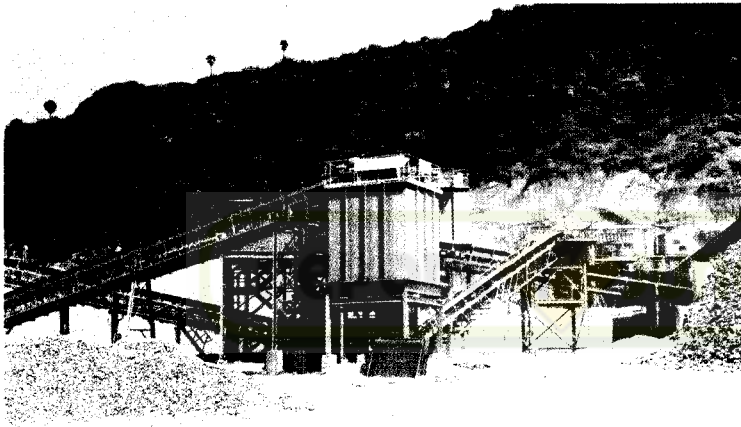
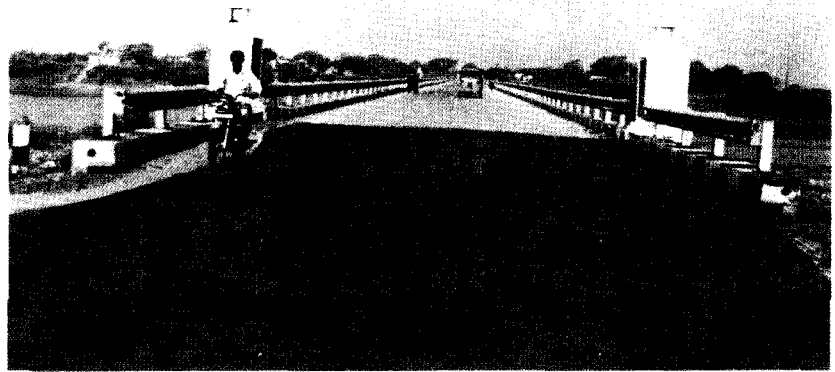


## Projects at a Glance

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**NOTICE**

To  
The Members  
**Madhucon Projects Limited**

Notice is hereby given that the 16th Annual General Meeting of Madhucon Projects Limited will be held on Saturday 19th day of August 2006 at 3.00 PM at the Registered Office of the Company situated at "Madhu Complex" 1-7-70, Jublipura, 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 2006 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 N Nageswar 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 K Srinivasa Rao be and is hereby appointed as a 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 C Venkateswara Rao be and is hereby appointed as an Independent 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 P Madhava Rao be and is hereby appointed as an Independent 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 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri S.V. Patwardhan as Managing Director of the Company for a further period of two years w.e.f. 5th March 2006 on an enhanced remuneration of Rs.1,00,000/- (Rupees One Lakh) per month (inclusive of perquisites)."

"FURTHER RESOLVED THAT the enhanced monthly remuneration of Sri S.V. Patwardhan, Managing Director of the Company for the period from 1st August 2005 to 4th March 2006 @Rs.1,00,000/- (Rupees One Lakh) per month (inclusive of perquisites) be and is hereby approved and ratified."





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 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri S.Vaikuntanathan as Director (Finance) of the Company for a period of one year w.e.f. 5th March 2006 on an enhanced remuneration of Rs.72000/- (Rupees Seventy Two Thousand) per month (inclusive of perquisites)."

"FURTHER RESOLVED THAT the enhanced monthly remuneration of Sri S.Vaikuntanathan, Director (Finance) of the Company for the period from 1st January to 4th March 2006 @Rs.72,000/- (Rupees Seventy Two Thousand) per month (inclusive of perquisites) be and is hereby approved and ratified."

10. 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 198, 269, 309, 310, 311 and Schedule XIII and all other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri N. Seethiah as Joint Managing Director of the Company for a period of five years w.e.f. 1st April 2005 on a remuneration of Rs.40000/- per month (inclusive of perquisites)."

11. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 and other prevailing laws, rules and regulations as applicable from time to time and subject to such consents, sanctions and permissions as may be required from the appropriate authorities, consent is hereby accorded for acquiring and holding Equity Shares of the Company by the Foreign Institutional Investors(FII's) including their sub-accounts upto an aggregate limit of 40% of the paid up Equity Share Capital of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, documents, deeds and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company."

12. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

"RESOLVED THAT the existing Article 144 of the Articles of Association be deleted and the following Article 144 be substituted.

The seal, shall not be affixed to any instrument except by authority of a resolution of the Board of Directors and in the presence of atleast two persons, one of whom shall be a Director and the other shall be such other person(s) as the Board may authorize for the purpose."

13. 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 Companies Act, 1956, be and is hereby accorded to the Board of

the Directors of the Company borrowing from time to time as may deem fit notwithstanding that the moneys already borrowed by the Company (apart from temporary loans obtained from the 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 monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.2000.00 Crores ( Rupees Two Thousand 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 authorized by the Board in that behalf."

"RESOLVED FURTHER THAT pursuant to Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of the Company be and hereby authorized to mortgage and/or charge all the present and future immovable and movable properties of the Company in favour of the Banks/Financial Institutions for the purpose of securing such borrowings upto a limit of Rs.2000.00 Crores (Rupees Two Thousand Crores) outstanding at any time and the interest thereon."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, documents, deeds and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Company."

14. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

"RESOLVED THAT the consent of the Company under the provisions of Section 372A and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company, that the aggregate of loans and investments, guarantee or security to be made from time to time as may deem fit by the Board over and above the prescribed limits but shall not exceed Rs.500.00 Crores (Rupees five hundred crores only) 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."

Place: Hyderabad

Date : 22.07.2006

By Order of the Board

**A MOHAN RAMI REDDY**  
GENERAL MANAGER

(Legal) & 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 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. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution,