



MADHUCON PROJECTS LIMITED

25TH ANNUAL REPORT

2014 - 2015



MADHUCON PROJECTS LIMITED

(CIN: L74210TG1990PLC011114)

Board of Directors:

N. Seethaiah
Managing Director

K. Srinivasa Rao
Whole-time Director

Mohammad Shafi
Whole-time Director

Kandimalla KVN Prasad
Independent Director

Ch. Lakshimi Kumari
Woman-Independent Director

P. Madhava Rao
Independent Director

Company Secretary:
C.Bharathi

Auditors:

M/s. Kota & Company
Chartered Accountants
(FRN-011982S)
H.No.331, Arora Colony-2
Road No.3, Banjara Hills,
Hyderabad-500034.

Registered Office:

1-7-70, Madhu Complex,
Jublipura, Khammam-507003.

Corporate Office:

Madhucon House, Plot No.1129/A,
Road No.36, Jubilee Hills,
Hyderabad-500033.

Registrar & Share transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31- 32, Gachibowli,
Financial District, Nanakramguda
Hyderabad – 500 032

Bankers:

Axis Bank Limited
Bank of India
Canara Bank
IDBI Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank
Oriental Bank of Commerce
State Bank of India



MADHUCON PROJECTS LIMITED

CIN-L74210TG1990PLC011114

Regd. Office: H. No.1-7-70, Jublipura, Khammam, Telangana-507003

Website: www.madhucon.com; E-mail: corporate@madhucon.com

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of **Madhucon Projects Limited** will be held on Wednesday, the 30th September 2015 at 3.00 PM at the Registered Office of the Company situated at Madhu Complex 1-7-70, Jublipura, Khammam-507003 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015 together with the report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year 2014-15.
3. To appoint Auditors and to fix their remuneration.

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

“RESOLVED THAT in accordance with the provisions of section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Kota & Company, Chartered Accountants, (FRN - 011982S) 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:

4. **Appointment of Sri Mohammad Shafi (DIN-07178265) as Whole-time Director of the Company:**

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

“RESOLVED THAT Sri Mohammad Shafi (DIN-07178265) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT in accordance with to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the appointment of Sri Mohammad Shafi (DIN-07178265) as Whole- time Director of the Company for a period of 3 (Three) years with effect from 30th May, 2015 on a monthly remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) inclusive of all perquisites.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Approval for the remuneration of the Cost Auditor for the financial year ending on March 31, 2016:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) inclusive of all taxes payable to M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453), the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for the financial year ending March 31, 2016, as recommended by Audit Committee and approved by Board of Directors be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in

force), the draft regulations contained in the Articles of Association submitted to this Annual General Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By Order of the Board
For Madhucon Projects Limited**

Date: 14.08.2015
Place: Hyderabad

**C. Bharathi
Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and Password along with a copy of this Notice to the members separately.
3. A member entitled to attend and vote at the Annual General Meeting (“Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself 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.

A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten percent) of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder as per rule 19 of the Companies (Management and Administration) Rules, 2014.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote at this Annual General Meeting as per Section 113 of the Companies Act, 2013.
5. In case of Joint shareholders attending the Meeting, only such joint holder whose name stands first on the Register in respect of such share will be entitled to vote.
6. 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 72 of the Companies Act, 2013, may submit their request to the Company in Form No. SH.13.

7. Members who are holding shares in physical form are requested to dematerialize their physical shareholdings with Depository Participants (DP) in order to facilitate the benefit of electronic trading.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy Computershare Private Limited (RTA)
9. Members, who have not registered their e-mail addresses so far and holding shares in electronic form are requested to register their e-mail address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to register their e-mail address to the Company / Karvy Computershare Private Limited (RTA) for receiving all communication including Annual Report, Notices etc.
10. The Register of Members and Share Transfer Books will remain closed from 24th September, 2015 to 30th September, 2015 (inclusive of both days) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
11. Dividend on Equity Shares, if declared, will be paid to the members whose names appear in the Company's Register of Members on 23rd September, 2015; in respect of shares held in electronic mode, the dividend will be paid to the beneficiaries as per the details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
12. 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 provisions of the Companies Act and thereafter, no claim shall lie against such fund or against the Company.
13. The Shareholders who have not encashed their dividend for the financial year 2007-2008 to 2013-2014 may approach the Secretarial Department of the Company for issue of fresh Demand Drafts against production of such proof of documents as may be required.
14. The Dividend which remained uncashed for the financial year 2007-2008 is due to be transferred to "Investor Education and Protection Fund" on 4th November, 2015. Therefore, Shareholders may approach Secretarial Department of the Company for claiming their dividend on or before 4th November, 2015.
15. Members may also note that the copy of notice of this Meeting and the Annual Report for the financial year 2014-15 will also be available on the website of the Company www.madhucon.com

ANNEXURE:

Explanatory Statement Pursuant to the provision of Section 102(1) of the Companies Act, 2013:

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 4: Appointment of Sri Mohammad Shafi (DIN-07178265) as Whole-time Director:

The Board of Directors of the Company on the recommendations of the Nomination and Remuneration Committee at their meeting held on 30th May, 2015 appointed Sri Mohammad Shafi as Whole-time Director of the Company for a period of 3 (Three) years effective from 30th May, 2015 on a monthly remuneration of Rs.2,00,000/- (Rupees Two Lakhs only) inclusive of all perquisites subject to concurrence and approval of shareholders.

Sri Mohammad Shafi is not holding any Equity shares of the Company and he does not hold any directorship in other companies.

Sri Mohammad Shafi is an Engineer by profession, aged about 55 years and associated with Company since very beginning. He successfully completed many Road Projects, Turnkey Projects of Coal Handling Plants, Major Workshops, Integrated Water Supply System and Mining Projects of the Company under his Project Management.

Your Board of Directors recommends the ordinary resolution as set out in Item No. 4 for Shareholders' approval.

None of the Directors and Key Managerial Personnel, except Sri Mohammad Shafi of the Company is concerned or interested, financial or otherwise, in the said Resolution.

Item No. 5: Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2016:

The Board of Directors of the Company on the recommendation of Audit Committee approved the appointment and remuneration of M/s. BVR & Associates, Cost Accountants (Firm Registration No. 000453) as the Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on 31st March, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as approved by Board of Directors, has to be ratified by the Shareholders of the Company. Accordingly, the Shareholders are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2016, as set out in the Ordinary Resolution in Item No. 5.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested financial or otherwise, in the said Resolution

Item No. 6: Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

The existing Articles of Association ("Articles") of the Company are based on Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the Companies Act, 2013.

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and / or deletion. Hence it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The Board of Directors recommends the Special Resolution set out at Item No.6 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

**By Order of the Board
For Madhucon Projects Limited**

Date: 14.08.2015
Place: Hyderabad

**C. Bharathi
Company Secretary**

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2015.

1. FINANCIAL SUMMARY:

(Rupees in Lakhs)		
Particulars	2014-2015	2013-2014
Gross Income	116496.07	89779.64
Profit before Depreciation & Taxation	10020.39	9673.90
Depreciation	3777.85	4701.86
Profit before Taxation	6242.54	4972.04
Provision for Taxation		
i) Current Tax	1308.50	1042.17
ii) Deferred Tax	0	758.19
Profit after Taxation	4934.04	3171.68
Profit available for appropriation	4934.04	3171.68
APPROPRIATION		
General Reserve	493.40	317.17
Proposed Dividend	73.79	147.59
Corporate Tax on Proposed Dividend	11.97	28.13
Balance transferred to Balance Sheet	4264.92	2768.75
Earnings per Share (Rs.)	6.69	4.30
Book Value (Rs.)	100.92	95.71
Paid-up Equity Share Capital	740.32	740.32
Reserves & Surplus	73731.41	69888.83

2. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is annexed as **ANNEXURE I** to this report.

3. BOARD MEETINGS:

The Board met 19 (Nineteen) times during the financial year 2014-2015. The following are the dates of meeting convened in different Quarters of the financial year.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Meeting No.	Date	Meeting No.	Date	Meeting No.	Date	Meeting No.	Date
515	02.04.14	519	01.07.14	525	08.10.14	530	23.01.15
516	12.04.14	520	17.07.14	526	15.10.14	531	14.02.15
517	30.05.14	521	09.08.14	527	14.11.14	532	03.03.15
518	03.06.14	522	21.08.14	528	25.11.14	533	26.03.15
		523	03.09.14	529	26.12.14		
		524	25.09.14				

4. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed:

- i. That in the preparation of annual accounts for the financial year ended 31st March, 2015; the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected 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.
- iii. 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, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- iv. That the Directors have prepared the annual accounts for the year ended 31st March 2015 on a "Going Concern" basis.
- v. That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

5. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). Further, there has been no change in the circumstances which may affect their status as independent director during the year.

6. NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management and criteria for determining qualifications, positive attributes, and independence of a director of the Company. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.