



MADHUCON

MADHUCON PROJECTS LIMITED

(CIN:L74210TG1990PLC11114)

AN ISO-9001 : 2008 COMPANY

**30th Annual Report
2019 - 2020**

Corporate Information

Board of Directors

Mr. Ramadas Kasarneni	Chairman and Independent Director
Mr. N. Seethaiah	Managing Director
Mr. K. Srinivasa Rao	Whole-time Director (upto dated 23-05-2019)
Mr. Mohammad Shafi	Whole-time Director
Mr. P. Madhava Rao	Independent Director
Mrs. Ch. Lakshimi Kumari	Woman-Independent Director
Mr. Madhu Malampati	Non-Executive & Non-Independent Director (w.e.f. 01-04-2020)

Mr. Deepakbhai Kumudray Joshi	Chief Financial Officer (upto 22-08-2019) & Company Secretary (upto 13-08-2019)
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Mrs. K. Rajani	Company Secretary (w.e.f. 13-08-2019)
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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.

Statutory Auditors

P.Murali & Co.,
Chartered Accountants,
(FRN 007257S)
6-3-655/2/3, Somajiguda,
Hyderabad - 500036

Secretarial Auditors

Venkata Krishna & Associates
Company Secretaries
Flat No. C-1, 4th Floor
Eureka Court, Behind Image Hospitals,
Ameerpet, Hyderabad-500 073.

Cost Auditors

BVR & Associates
Cost Accountants
Flat No. 101, R.V. Naipunya Apts.
H.No. 6-3-628/3, Anand Nagar Colony,
Khairatabad, Hyderabad-500 004.

Registrar & Share transfer Agents

Kfin Technologies 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.

NOTICE

To
The Members,
Madhucon Projects Limited

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the Members of Madhucon Projects Limited will be held on Saturday, the 05th day of December, 2020 at 03:00 P.M. (IST) via two-way Video Conferencing (VC facility)/other Audio-Visual Means ('OAVM') ONLY in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses as set out in the Notice of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a) the Audited Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company in IND AS format for the financial year ended 31st March, 2020 together with the report of the Auditors thereon.

2. To appoint Auditors and to fix their remuneration.

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary resolution: **"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby re-appoint M/s P.Murali & Co, Chartered Accountants (FRN 007257S), Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

3. Regularisation of Appointment of Mr. Madhu Malampati (DIN: 00368625) as a Non - Executive and Non – Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:- **"RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Madhu Malampati (DIN: 00368625), who was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act, 2013 read with relevant rules made thereunder and also in accordance with the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and in consent of Board of Directors, and being eligible, offer himself for appointment. Mr. Madhu Malampati, be and is hereby appointed as a Non-executive and Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Approval for the remuneration of the Cost Auditor for the financial year ending on 31st March, 2021.

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.1,50,000.00 (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 31st March, 2021, 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."

5. Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans :

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution: **"RESOLVED FURTHER THAT** the total interest provisions on Rs. 689.50 Cr. and Rs. 53.40 Cr. Working Capital Loans and Term Loans respectively aggregating to Rs. 742.90 Cr. for the full financial year 2019-20 be not applied and provided for in the books of accounts of the Company on the basis that the Company has submitted the One Time Settlement proposal to all Working Capital Banks and Financial Institutions. Company is working for the approval, with required improvements, modifications, if any, as may be mutually agreed upon by and between the Company and Working Capital Banks / Financial Institutions. "

By Order of the Board
For Madhucon Projects Limited

Place: Hyderabad
Date : 14-09-2020

Sd/-
Nama Seethaiah
Managing Director
DIN:00784491

NOTES :

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the 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. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books of the company will remain closed from Saturday, the 27th November, 2020 to Saturday, the 05th December, 2020 (both days inclusive).

6. Dispatch of Annual Report through Electronic Mode:

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

7. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website **www.madhucon.com**, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Private Limited ("KFinTech") at <https://evoting.kfintech.com/>

8. For receiving all communication (including Annual Report) from the Company electronically:

- (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company at "**cs@madhucon.com**" or to the Company's RTA (KFin Technologies Pvt. Ltd.) at "**raghu.veedha@kfintech.com**" or "**https://evoting.kfintech.com/**".
- (b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- (a) Members will be able to attend the AGM through VC / OAVM or view the live webcast at "**https://emeetings.kfintech.com**" by using their e-voting login credentials. Members are requested to follow the procedure given below:
 - (i) Launch internet browser (chrome/ fire fox /safari) by typing the URL: "**https:// emeetings.kfintech.com**"
 - (ii) Enter the login credentials (i.e., User ID and password for e-voting).
 - (iii) After logging in, click on "Video Conference" option
 - (iv) Then click on camera icon appearing against AGM event of **Madhucon Projects Limited** to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

- c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to "<https://emeetings.kfintech.com>" and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during **02nd December, 2020 (Wednesday) to 04th December, 2020 (Friday)**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
 - d) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis to 1,000.
 - e) Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - f) Members who need assistance before or during the AGM can contact KFinTech on "<https://evoting.kfintech.com/>" or call on telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
 11. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
 12. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

13. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting").

Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFin Technologies Private Limited as the agency to provide e-voting facility. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below. The remote e-voting facility will be available during the following voting period:

EVSN (E-Voting Sequence Number)	Commencement of e-Voting	End of e-Voting
5704	02-12-2020 at 09:00 A.M	04-12-2020 at 05:00 P.M

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin Technologies Private Limited upon expiry of the aforesaid period. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Friday, 27th November, 2020.

The Board of Directors of the Company has appointed Mr. S. Venkata Krishna Reddy, Practicing Company Secretary (Membership No. ACS: 53083 and CP: 19542), as Scrutinizer to scrutinize the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Information and instructions relating to e-voting are as under:

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, 27th November, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person, who is not a member as on the cutoff date, should treat the Notice for information purpose only.
- iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFin Technologies Private Limited in the manner as mentioned below:

- (a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of "<https://evoting.kfintech.com/>", the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call on KFin Technologies Private Limited telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com (from 9:00 a.m. to 6:00 p.m.)
- (d) Member may send an e-mail request to "evoting@kfintech.com" If the member is already registered with KFin Technologies Private Limited e-voting platform, then he can use his existing password for logging in.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- vi. **Information and instructions for remote e-voting:**

I. A. In case a member receives an e-mail from the Company / KFin Technologies Private Limited [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: "[https:// emeetings.kfintech.com](https://emeetings.kfintech.com)"
- (b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number + Folio No. or\ DP ID Client ID will be your User ID. However, if you are already registered with KFin Technologies Private Limited for e-voting, you can use the existing password for logging in. If required, please call telephone numbers 040-67161606 / 1607, Fax number 040-23420814 E-mail ID: raghu.veedha@kfintech.com (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on "**LOGIN**".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.).

The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Madhucon Projects Limited.

SHAREHOLDERS TO SELECT THE RESPECTIVE EVENTS AND VOTE DEPENDING UPON THEIR SHAREHOLDING.

- (g) On the voting page, enter the number of shares as on the cutoff date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: "**vkrishna.acs@gmail.com**" with a copy marked to "**evoting@kfintech.com**." It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

(B) In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered / updated their email addresses and bank account details with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at "**cs@madhucon.com**" or to KFin Technologies Private Limited at "**einward.ris@kfintech.com**".
- (b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
- (c) After due verification, the Company / KFin Technologies Private Limited will forward your login credentials to your registered email address.
- (d) Follow the instructions at I. (A). (a) to (m) to cast your vote.
 - i. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
 - ii. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
 - iii. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFin Technologies Private Limited website for e-voting: <https://evoting.kfintech.com/> or contact KFin Technologies Private Limited as per the details given under sub-point no. V below.
 - iv. Members are requested to note the following contact details for addressing e-voting grievances:

Mr. Raghu Veedha
 KFin Technologies Private Limited
 Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad 500 032
 Phone No: +91 40 6716 2222
 Toll-free No: 1800-345-4001
 E-mail: evoting@kfintech.com

- v **Information and instructions for Insta Poll:** Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.
- vi. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.
- vii The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the Scrutinizer's consolidated Report, will be placed on the website of the Company: "**www.madhucon.com**" and on the website of KFin Technologies Private Limited at: "<https://evoting.kfintech.com/>" The result will simultaneously be communicated to the stock exchanges (BSE and NSE).

- viii. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to
- b
- passed on the date of the Meeting, i.e., Saturday, 05th December, 2020.
- e

PROCEDURE FOR INSPECTION OF DOCUMENTS:

14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to "cs@madhucon.com."
15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before Friday, 27th November, 2020 through email to cs@madhucon.com. The same will be replied by the Company suitably.

IEPF RELATED INFORMATION:

The Shareholders who have not encashed their Dividend for the Financial year 2012-13 to 2016-17 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.

OTHER INFORMATION:

16. Members holding shares in electronic form are requested to intimate any change in their address and update their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs with whom they are maintaining demat account.
17. Members holding shares in physical form are requested to register their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) or update of their bank details already registered with the Company / KFin Technologies Pvt. Ltd. to enable the Company to remit the dividend electronically.
18. Members holding shares in physical form are requested to keep their addresses updated and write to the Company's RTA (KFin Technologies Pvt. Ltd.) for updation of the address.
19. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are requested to submit the PAN and Bank account details to their DPs with whom they are maintaining demat accounts. Members holding shares in physical form shall submit their PAN and Bank Account details to the Company's RTA (KFin Technologies Pvt. Ltd.).
20. Members are requested to note that, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for transfer of shares held in physical form, except transmission or transposition, will not be processed after 31st March, 2019. In this regard, members are requested to dematerialize their shares held in physical form. Members may contact the Company or the Company's RTA (KFin Technologies Pvt. Ltd.) for assistance in this regard.
21. To support the 'Green Initiative', Members who have not registered their email IDs so far are requested to register their email IDs for receiving all communication(s) including Annual Report, Notices etc., from the Company in electronic form.
22. The Company has paid the Listing Fees for the Year 2020-21 to both the Stock Exchanges where equity shares of the Company are listed.

ANNEXURE :**Additional information about the Directors being appointed / reappointed as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.****Item No. 3:**

Mr. Madhu Malampati (DIN: 00368625), aged about 38 years having 15 years of experience in construction field.

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. 3:

In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Madhu Malampati as an Additional Director of the Company pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of the Company and in compliance with applicable regulations of SEBI (Listing Regulations) in the category of Non -Executive and Non Independent Director, with effect from 01st April, 2020.

Mr. M. Madhu Malampati (DIN: 00368625), being eligible and offering himself for appointment, is proposed to be appointed as a Non-Executive Non Independent of the Company. He has done his Masters from Bangalore University and also having 15 years of experience in construction field and he holds 24,000 Equity shares in the Company.

The Board considers that his induction into the Board would be of immense benefit to the Company and it is desirable to avail the services of Mr. Madhu Malampati as a Non-Executive Non Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Madhu Malampati as a Non-Executive Non Independent Director of the Company commencing from the date of his appointment in the ensuing Annual General Meeting placed before the Shareholders for their approval by way of a special business. Further, the Company has, in terms of Section 160(1) of the Act, received a notice in writing proposing the candidature for the office of Director. The Company has received Mr. Madhu Malampati (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority. Mr. Madhu Malampati, once appointed, will be liable to retire by rotation. In the opinion of the Board, Mr. Madhu Malampati is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI (LODR), Regulations, 2015.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special business set forth in Item No.3 for approval of the shareholders.

Item No. 4:

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, 2021. 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, 2021, as set out in the Ordinary Resolution in Item No. 4.

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

Item No. 5:**Approval for Non-Provision of the Interest on Working Capital Loans & Unsecured Loans:**

The board members discussed in this connection that the Company has submitted the One Time Settlement (OTS) proposal to each of the Working Capital Banks during the year 2018-19 and is working with them and is hopeful to get it approved with suitable modifications, if any. It was further deliberated that as the Company has put up OTS proposal with each Working Capital Bank against their respective outstanding.

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

By Order of the Board
For Madhucon Projects Limited

Place: Hyderabad
Date : 14-09-2020

Sd/-
Nama Seethaiah
Managing Director
DIN:00784491

DIRECTORS REPORT

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2020.

(` in Lakhs)

1) FINANCIAL SUMMARY

S. No.	Particulars	Standalone	Year ended	Consolidated	Year ended
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations:				
	(a) Net Sales/ Income from Operations	54,682.00	66,944.33	73,413.09	94,244.01
	(b) Other income	787.07	1,540.56	4,604.02	4,074.00
	Total Income	55,469.07	68,484.89	78,017.11	98,318.01
2	Expenses:				
	(a) Cost of Materials Consumed	51,044.53	58,666.41	60,650.21	71,345.13
	(b) Changes in Inventory of Finished goods, Work-in-Progress and stock-in-trade	-	-	1,496.42	3,489.78
	(c) Employee benefits expense	2,196.78	3,000.88	3,530.72	4,519.33
	(d) Other expenses	2,536.45	4,395.45	3,047.03	9,153.31
	(e) Financial Costs	1,343.22	2,252.53	15,028.49	27,904.87
	(f) Depreciation and amortisation expense	836.52	771.31	7,157.74	22,420.08
	Total Expenses	57,956.80	69,086.58	90,910.61	1,38,832.50
3	Profit/(Loss) Before Exceptional Items (1-2)	(2,487.73)	(601.69)	(12,893.50)	(40,514.49)
4	Exceptional Items	22,727.00	-	97,027.06	-
5	Profit/(Loss) Before Tax (3-4)	(25,214.73)	(601.69)	(1,09,920.56)	(40,514.49)
6	Tax Expense				
	a) Current Tax -	-	-	-	-
	b) Deferred Tax	(3,656.98)	(2,462.40)	1,583.67	(2,462.40)
	Total Tax (a+b)	(3,656.98)	(2,462.40)	1,583.67	(2,462.40)
7	Net Profit/(Loss) After Tax (5-6)	(21,557.75)	1,860.71	(1,11,504.23)	(38,052.09)
	Share of Loss transferred to Non Controlling Interest	-	-	(4,921.29)	(3,663.03)
	Profit/(Loss) after Tax after Non Controlling Interest	(21,557.75)	1,860.71	(1,06,582.94)	(34,389.06)
	Share of Profit or Loss from Associated Companies	-	-	-	-
	Profit/(Loss) after Tax after Share of Minority Interest & Associated Companies	(21,557.75)	1,860.71	(1,06,582.94)	(34,389.06)
8	Other Comprehensive Income	71.00	34.45	204.36	107.91
	Share of Other Comprehensive Income transferred to Non Controlling Interest	-	-	0.01	13.05
9	Total Comprehensive Income (7+8)	(21, 486.75)	1895.16	(1,06,378.57)	(34,294.21)
10	Paid up equity share capital (Face Value of Rs. 1/- each)	737.95	737.95	737.95	737.95
11	Other Equity	52,604.48	80,722.03	(2,43,839.86)	(2,12,984.3)
12	(i) Earning per share of Re.1/- each (not annualised)				
	(a) Basic	(29.21)	2.52	(144.43)	(46.60)
	(b) Diluted	(29.21)	2.52	(144.43)	(46.60)