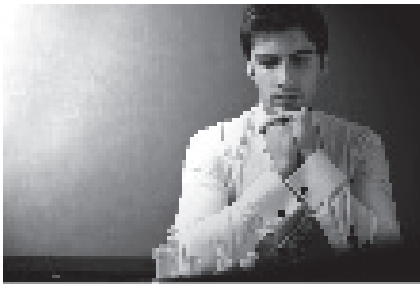


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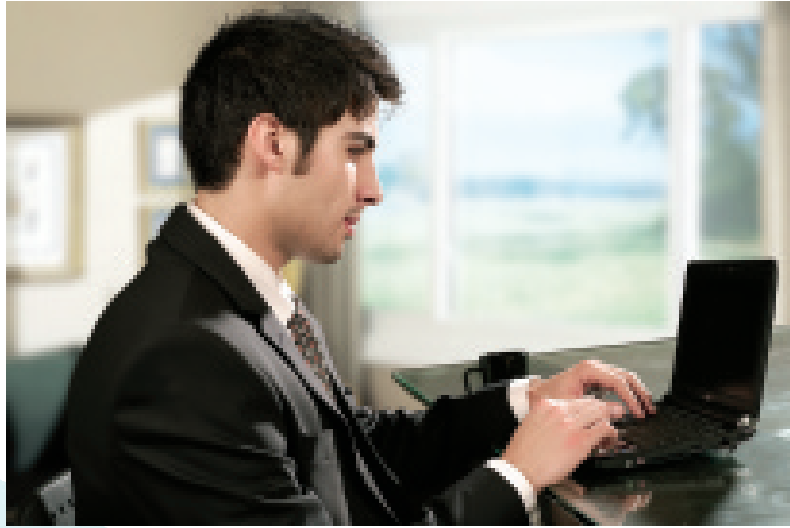
ANNUAL REPORT



**MANJEERA**  
Life Elevated



IT'S THE  
WINNING  
MOVE  
THAT  
MATTERS.



"Chess, like any creative activity, can exist only through the combined efforts of those who have creative talent, and those who have the ability to organize their creative work."

Mikhail Botvinnik

At Manjeera, creativity is in thinking without restraints. In letting the mind roam free. In accepting seemingly radical ideas, and in making such ideas work well for clients. Our capacity to make the right moves at the right time, the openness with which we choose our projects - these are what that make us independent, and invincible.

The rationale that **planning makes perfect**, guides our every move. Because, in business, as in chess, forethought wins. Our cost-effective, plus-quality deliveries have their roots in the meticulous adherence to standard, and the periodical measurement of performance against predetermined benchmarks.

We believe, teamwork, with every member of the team playing his / her assigned role to the hilt, can never go wrong. Team Manjeera works as one, fighting the odds, forcing the moves, taking studied chances... to maximise returns, to make lives elevated.

The results are here for you to see...

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**BOARD OF DIRECTORS**

Mr. G YOGANAND  
Managing Director

Mr. G SHIVA LEELANAND  
Director

Mr. K KRISHNAMURTHY  
Director

Mr. DLS SRESHTI  
Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. T DEEPTHI

**STATUTORY AUDITORS**

M/s. A.K.SABAT & CO.  
Chartered Accountants

**BANKERS**

ICICI Bank  
Oriental Bank of Commerce  
Canara Bank  
HDFC Bank  
YES Bank

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. XL Softech Systems Limited  
Plot No. 3, Sagar Society, Banjara Hills  
Road No. 2, Hyderabad – 500 034  
T: +91 40 2354 5913/14/15  
F: +91 40 2355 3214  
E: xlsoft@org.com  
W: www.xlsofttech.org  
Contact Person: Mr. R Ram Prasad

**REGISTERED OFFICE**

# 304, Aditya Trade Centre  
Aditya Enclave Road, Ameerpet  
Hyderabad – 500 038  
T: +91 40 2373 5194/0231, 2374 3017  
F: +91 40 2373 3763  
E: manjeera\_group@yahoo.com  
W: www.manjeera.com



## VISION

To be synonymous with life-enriching spaces & structures and to ascend to industry leader status



## MISSION

Manjeera is a construction, real estate, hospitality and infrastructure conglomerate, with a strong lineage focusing on quality, innovation, cost-effectiveness, eco-consciousness, customer delight and adding value to stakeholders' interests



## VALUES

Integrity  
First time right  
Proactive  
Teamwork  
Accountability  
Learning  
Innovative







## *Dear Shareholders,*

In the last 15 months, the world has got used to waking up to dramatic headlines of corporate and financial icon collapses. The unprecedented headwinds being encountered by the global economy are putting the resilience of virtually every business to an acid test.

Even in the face of this volatility, your company continues to be in a good financial position. We belong to a select clutch of companies that continue to declare dividends - we have done so consistently for the last three years - even in the teeth of this violent gale. In fact, Manjeera has an unbroken record of posting profits every year since its inception.

For one, the business model of Manjeera Constructions - low-risk investments, short gestation projects, faster finance generation - has held it in good stead. The Company's strategic framework of investing in low-risk, clear-titled sites - in prime locations - amenable to immediate developmental activity is valid more than ever before, in the current scenario. And our endeavours to create long term, sustainable value by tenaciously focusing on what we know best - property, its acquisition, development, construction and sale - have ensured assured returns for our investors. Today, we are confident that the value we are creating by way of various projects on hand - aggregating to a builtup area of over 6 million sft. (approx.) through own development / contracts / joint ventures with foreign / domestic investors / partners - will reward our shareholders amply in the years to come.

In our chosen industry verticals - residential, commercial, hospitality and retail developments - we enjoy a well-identified competitive advantage. We are partnering with some of the best architects, retailers and consultants in the Country...associations that are laying the foundation for our sustained growth in what are undoubtedly testing times. A 64.12% jump in turnover and a 90% leap in profits over the last financial year are ample proof of how Manjeera has smartly leveraged its core competencies.

We are consciously making the move to 'complete and consolidate' our current project portfolio in order that we are ready and prepared for the next big opportunity. Our consistent financial performance earned for us a listing on the prestigious Bombay Stock Exchange in June this year. This listing is a means to enhance the national liquidity of our shares,



## We make sustainable moves

and open up greater financing options to sustain our expansion plans. It is also a means to welcome a wider investor base into the Company. An enhanced national profile will help support the development of India-wide & NRI markets for our commercial, corporate, hospitality and residential projects.

As a conscientious corporate citizen, your company already has green components in its existing building standards, but we strive for continuous improvement. Our focus is on innovation and efficiency in the design and construction, reduction of energy and water use, incorporation of green décor in the interiors, and features that enhance indoor air quality and promote natural lighting.

All our learning in these 25 years and our sustained growth graph, have made us confident of playing a larger role - as infrastructure developers - in the near future. Initially, our foray will be into the hi-growth, hi-potential sectors of Power and Transportation. For which, we are preparing the ground by infusing fresh blood into the team. We are well on our way to building a team brimming over with talent, technological expertise and the thirst for innovation to capture emerging opportunities.

In conclusion, I'd like to acknowledge the contribution of all individuals, institutions and organizations to our standing today. My sincere gratitude to all Manjeera's customers for their belief in us. To all my colleagues for their professionalism and commitment to pursue our corporate goals and achieve high standards of excellence. To the members of the Board, for their guidance and encouragement. To financial institutions, banks, vendors and regulatory authorities for their support and cooperation. And most of all, to you, shareholders, for trusting Manjeera with your hard earned savings. I look forward to your continued support in making Manjeera a conglomerate with a promising future.

Sincerely,

G Yoganand  
Managing Director

## NOTICE TO MEMBERS

Notice is hereby given that the 22nd Annual General Meeting of the Members of "MANJEERA CONSTRUCTIONS LIMITED" will be held on Wednesday, the 30th day of September, 2009 at 10:30 AM at Aditya Park Hotel, Ameerpet, Hyderabad-500 038 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.
2. To consider and approve declaration of Final Dividend for the financial year 2008 - 09
3. To consider and appoint a Director in place of Mr. G. Shiva Leelanand, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. A K Sabat & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby re-appointed as the 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 of the Company on such remuneration as may be fixed and approved by the Board of Directors of the Company."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, and the rules framed there under, Listing Agreement, SEBI (Delisting of Equity Shares) Regulations, 2009, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permissions and sanctions, as may be necessary, the consent of the company be and is hereby accorded to the Board of Directors of the company to seek voluntary delisting of its securities from Bangalore Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Madras Stock Exchange Limited."

**“RESOLVED FURTHER THAT** the securities of the company shall continue to be listed on the Bombay Stock Exchange Limited having nation wide trading terminals.”

**“RESOLVED FURTHER THAT THE** Board of directors of the company be and are hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the earlier resolution (s) passed in this regard, the consent of the members of the Company be and is hereby accorded to increase the remuneration from Rs. 3,50,000/- to Rs. 4,50,000/- plus perquisites per month to Sri G Yoganand, Chairman and Managing Director of the Company with effect from 1st April, 2009 till the expiry of his present term of Office i.e. 30th June, 2010 and that the other terms and conditions of the appointment remain unchanged.

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits in any financial year during the tenure of office of Sri. G Yoganand, Chairman and Managing Director, the above remuneration shall be payable as per relevant applicable provisions of law including provisions as contained in Schedule XIII to the Companies Act, 1956.”

---

By order of the Board of Directors

Place: Hyderabad  
Date: 31.07.2009

Sd/-  
T. Deepthi  
Company Secretary



## EXPLANATORY STATEMENT

### Pursuant to Section 173(2) of the Companies Act, 1956

#### Item No. 5:

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 6 (A) of SEBI (Delisting of Equity Shares) Regulations, 2009, an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nation wide trading terminal, i.e., The Stock Exchange, Mumbai, the National Stock Exchange of India and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at the Bombay Stock Exchange (BSE), Bangalore Stock Exchange (BGSE), Madras Stock Exchange (MSE) and Ahmedabad Stock Exchange (ASE). The shares of the Company are being traded only on the Bombay Stock Exchange with effect from 3rd June, 2009 ensuring liquidity to the shareholders. Prior to listing on the Bombay Stock Exchange, there has been hardly any trading of shares in the other regional stock exchanges and no significant benefits have been accruing to the Company apart from the status of remaining listed.

Considering the negligible or nil trading volume of the company's equity shares in BGSE, MSE & ASE and also as a cost reduction measure, the consent of members is sought for getting the securities delisted from Bangalore Stock Exchange, Madras Stock Exchange and Ahmedabad Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange Limited.

The proposed de-listing shall not affect the interests of the investors in any way and moreover, savings shall be entailed in the annual listing fees to the Stock Exchanges and the Company shall also be relieved from the numerous procedural formalities.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

**Item No. 6:**

Sri G Yoganand is a Promoter Director and presently acting as a Chairman and Managing Director of the Company. Since inception, he steered the Company with total dedication, hard work and effective leadership resulting in the profitable growth of the Company's operations. His timely decisions to expand and acquire various properties are expected to yield good results.

The Board reviewed the performance achieved by the Company during the year under review and appreciated the management for their untiring efforts in achieving good growth, both in terms of total income and profitability. The Board, considering the number of projects under execution and the increased responsibilities to be shouldered by him due to increase in the volumes of business, has decided to remunerate him suitably. It is proposed to revise the remuneration to Sri G Yoganand from the existing Rs. 3,50,000/- per month + perquisites to Rs. 4,50,000/- per month + perquisites. Such proposal requires the approval of members in general meeting as per the Companies Act, 1956.

None of the Directors of the Company except Sri G Yoganand, Managing Director is interested in the resolution.

Directors recommend the resolution for your approval.

---

By order of the Board of Directors

Place: Hyderabad  
Date: 31.07.2009

Sd/-  
T. Deepthi  
Company Secretary

FOR  
HIGH  
FLIERS



MANJEERA TRINITY CORPORATE

**MANJEERA TRINITY CORPORATE**  
With 900,000 sft. of sheer versatility spread over 18 storeys, it's now easier to be productive, imaginative and happy at work. Sleek and contemporary, Manjeera's innovative office environments are built in conformance with vastu, with a lot of common sense and a willingness to do something really different.



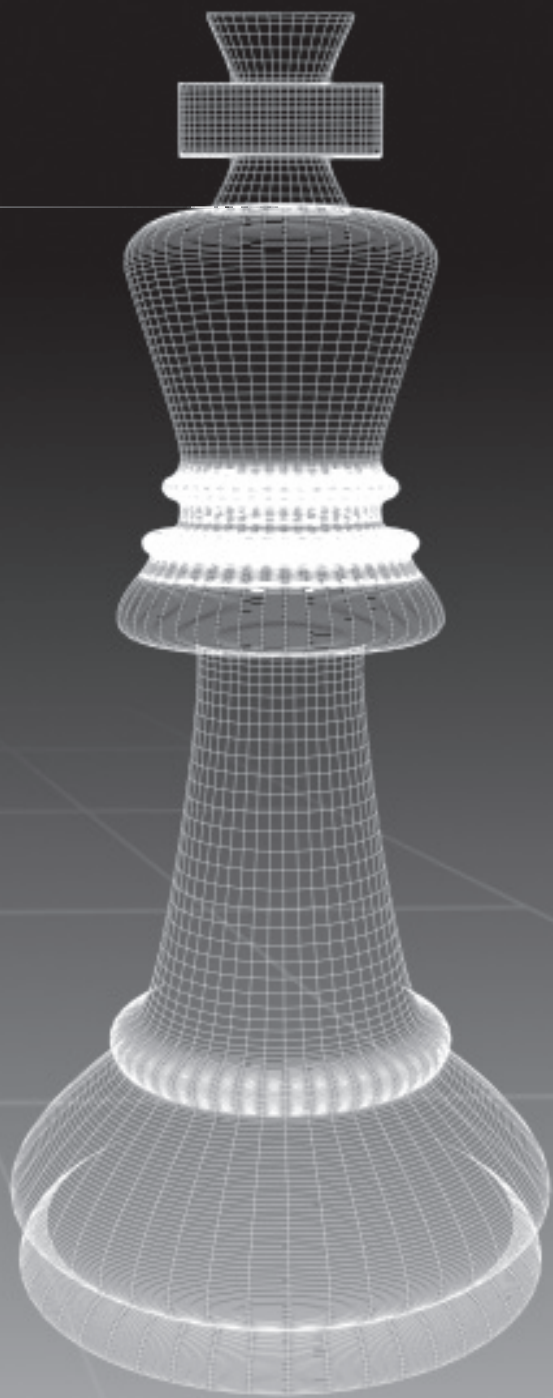
"I look one move ahead...the best!"

Siegbert Tarrasch



*MOVE: The King moves one space at a time, sideways, diagonally, forwards or backwards.*





## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report of your Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2009.

### FINANCIAL RESULTS:

Particulars	FY 2008-09	FY 2007-08
Sales & Other Income	6384.08	3889.84
Less: Total Expenditure	5044.46	3108.75
Profit after Interest but before Depreciation and tax	1339.62	781.09
Depreciation	103.69	33.04
Provision for Tax	225.28	216.24
Profit after Tax	1010.65	531.80
Interim Dividend	—	30.02
Tax on Interim Dividend	—	4.26
Proposed Final Dividend	150.10	75.05
Tax on proposed Final Dividend	25.50	12.75
Reserves & Surplus	3250.14	2415.10
Paid Up Equity share Capital	1250.84	1250.84

### PERFORMANCE REVIEW

Your company has achieved turnover of Rs. 6384.08 lacs as against the turnover of Rs. 3889.84 lacs in previous year 2007-08 registering a growth of 64.12%. The net profit after tax stood at Rs. 1010.65 lacs as against Rs. 531.80 lacs in the previous 2007-08 registering 90% growth.

### DIVIDEND

Considering the Company's performance and financial position for the year under review, your Directors are pleased to recommend, for the approval of the Members a final dividend of Rs. 1.20/- per share on 12508418 Equity Shares of Rs. 10/- each of the company for the financial year 2008-2009. The dividend on the Equity Shares, if declared would involve an outflow of Rs. 1,50,10,102/- towards dividend and Rs. 25,50,967 towards dividend tax, resulting in a total outflow of Rs. 1,75,61,069/-.

### DIRECTORS

Mr. G. Shiva Leelanand, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The proposal regarding re-appointment of the aforesaid Director is recommended by the Board and placed for your approval.

The information on the particulars of the Director seeking re-appointment as required under Clause-49 of the Listing Agreement executed with the Stock Exchanges has been given under the Report on Corporate Governance.

Mr. D.L.S. Sreshti was appointed by the Board of Directors of your company in its meeting held on 30th October, 2008 as Additional Director and holds office up to the date of the ensuing Annual General Meeting. The Board expresses its sincere gratitude for the guidance and services extended by Mr. D.L.S. Sreshti during his tenure with the company.

#### LISTING OF SHARES

The Company's shares are listed on Bombay Stock Exchange Limited (BSE) and started trading with effect from 3rd June, 2009. The Company's shares are compulsorily traded in the dematerialized form, with nationwide terminals. The Scrip Code on BSE is 533078 and the Scrip ID is "MANJEERA EQ". The Demat ISIN number allotted in NSDL & CDSL for Equity Shares of the company is INE320D01018.

The details of Shareholding Pattern, Distribution of shareholding and share prices are mentioned separately in the Corporate Governance Report.

#### PUBLIC DEPOSITS

During the year the Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

1. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the Directors have selected such 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.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the annual accounts on a going concern basis.

#### SUBSIDIARY COMPANY

Manjeera Retail Holdings Private Limited (MRHPL), is subsidiary of Manjeera Constructions Ltd. (MCL). The Company has inherent skills and resources to develop and execute high - value projects by using innovative technology that creates trends through value engineering.

The Company is developing a prestigious project with 19.82 Lakhs Sq.ft. of built-up area of office, retail / multiplex / commercial / residential apart from car parking space of about 8.92 Lakh Sq. ft. The total estimated cost of the project is Rs. 637.8 crores. The project is expected to be completed within the next three years.

A statement pursuant to Section 212 of the Companies Act, 1956, related to the accounts of the subsidiary is annexed as part of this Annual Report.

#### **AUDITORS & AUDITORS' REPORT**

M/s. A.K. SABAT & CO., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as Statutory Auditors of the company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section - 224 (1B) of the companies Act, 1956.

The Notes on Accounts referred to in the Auditors Report are self-explanatory and therefore do not require any further comments.

#### **PARTICULARS OF EMPLOYEES**

Particulars of employees whose information is to be annexed to this report pursuant to section 217(2A) of the companies Act, 1956 are not applicable since the company has not employed any such employees.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review, as stipulated under Clause- 49 of the Listing Agreement with Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

#### **CORPORATE GOVERNANCE REPORT**

Being committed to standards of the corporate ethics, professionalism and transparency, the company has put in place the compliances pertaining to Corporate Governance. As per Clause-49 of the Listing Agreement, a separate section on Corporate Governance forms part of the Annual Report.

Your company has complied with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report section.

A certificate from the Statutory Auditors of the Company confirming the compliance of conditions of corporate governance under clause-49 of the Listing Agreement is also attached to this report.

#### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

As the Company is not engaged in the manufacturing activity and at present it carries out the construction activities only, the prescribed information regarding compliance of rules relating to conservation of Energy & Technology, absorption pursuant to section 217(1)(e) of the companies Act, 1956 read with Rule-2 of the Companies (Disclosure of particulars in the Report of the Board of the Directors) Rules, 1988 is not provided as the same is not applicable to the Company.

The Company does not have any Foreign Exchange Earnings & Outgo during the financial year and hence provisions of Section 217 (1) (e) regarding disclosure of Foreign Exchange Earnings & Outgo is not applicable.

**INDUSTRIAL RELATIONS**

The Company has maintained cordial and harmonious Industrial Relations throughout the year.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments, Greater Hyderabad Municipal Corporation, Andhra Pradesh Housing Board, Hyderabad Metropolitan Development Authority, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, Shareholders, Bankers, Financial Institutions, Customers, Suppliers, Contractors and other Associates for their continued support to the Company.

The Company enjoyed very cordial and fruitful relations with the employees during the year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by the Company's executives and staff for achieving good results under demanding circumstances.

---

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 31.07.2009

Sd/-  
(G YOGANAND)  
Managing Director

Sd/-  
(G SHIVA LEELANAND)  
Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Industry Structure and Developments:**

Due to global financial crisis several countries have slipped into recession. In India also, the Economy faced significant slow-down in growth. The key concerns for such slow-down are volatile agricultural growth coupled with sharp slow-down in the manufacturing sector. However, the growth in the services sector continues to remain buoyant.

The Indian Government announced stimuli packages to revive the economy through monetary, fiscal and export promotion measures. The key features of these packages include:

- i) Government has abolished Fringe Benefit Tax (FBT) which will save corporates from some tax outflow.
- ii) Full exemption from excise duty on goods such as Cement bricks, articles of stone, asbestos and plaster manufactured at the site of construction for the use in construction at such site.
- iii) Increased Investments to provide incremental facilities to the Infrastructure sector
- iv) Concessional finance for home loans and also loans to small and medium enterprises.

During the year under review, one of the many sectors affected by the economic slowdown was commercial real estate. Over the past few years, several real estate companies began to increasingly rely on equity financing for their funding requirements. In the residential market, given the uncertainty in the property markets, some prospective buyers preferred to adopt wait and watch approach. It should be noted that the demand for housing has not come down. The right home price propels consumers back into the market. The changing market dynamics have forced the developers to re-think their strategy as they recognize the immense demand for affordable housing.

The 11th Five Year Plan (2007-2012) estimates the Urban Housing shortage to be 26.53 million units. To address the acute housing shortage in India, the Government has ear-marked substantial funds for growth of the sector. With the committed efforts and investments, India is likely to witness massive housing activities in the next two decades to meet the increasing needs of a developing nation and growing population.

### **Opportunities & Threats:**

The Company's strong determination, financial strength and project execution capabilities is uniquely poised to effectively avail all opportunities and create new ones going forward. The rapidly growing urban population and the massive existing shortage of modern housing and commercial space have thus created opportunities to your Company. Your Company has over a period of 2 decades developed an expertise in executing these projects effectively and efficiently.

### **Segment wise Performance:**

The Company is primarily engaged in construction activities and is managed organizationally as a single unit. Accordingly, the company is a single business segment company.

### **Outlook:**

The year 2008 has started on a great note and we looked to be at the threshold of a huge growth phase in India. The global financial crisis led to sharp decline in economic activity from mid of the year.

However, the growth in your company's business was good during the current financial year. Consistent with its performance in the past, this year too the company has achieved healthy growth across various operating and financial parameters. The performance reflects the strength of the company's business and of its disciplined approach to risk reward management.

The Company is currently executing various projects of Residential / Commercial / Retail aggregating an approximate Built up area of over 6 million Sft. through own development / contract jobs / Joint ventures with Foreign / Domestic Investors / Partners which are expected to strengthen the Financial performance.

In this business, the company provides its customers a range of high quality services. The company's good customer relationship helped it target existing and potential customers more effectively & cost effectively and also offer them services appropriate to their needs.

Hence, the outlook appears bright on the back of growth initiatives planned in the construction business.

#### **Risks and Concern:**

The Company has developed built-in procedures and practices to effectively mitigate the adverse affects of the risks involved in the business and has laid down procedures for handling risks in carrying out the business to the best advantage of all stakeholders and to improve the shareholder value and to ensure continuity of business.

The business model of the Company is low risk investments in properties at prime locations, clear titled sites, short gestation projects is expected to generate assured returns.

#### **Internal Control Systems and their Adequacy:**

Your Company has appropriate internal control system for business processes, with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations. Clearly defined roles and responsibilities down the line for all managerial positions have been institutionalized. All operating parameters are monitored and controlled.

As per Clause-49 of the Listing Agreement with the Stock Exchanges, the Management has established adequate internal control procedures over financial reporting.

#### **Financial Performance:**

The Financial Performance during the fiscal year 2008-09 remained healthy with total turnover of Rs. 6384.08 lacs as against the turnover of Rs. 3889.84 lacs in previous year 2007-08 registering a growth of 64.12%. The net profit after tax stood at Rs. 1010.65 lacs as against Rs. 531.80 lacs in the previous 2007-08 registering 90% growth.

Better realisations, tax benefits under Section - 80 IB of the Income Tax Act and Cost controls enabled the company to increase the profit by 90% as against 16.44% in the previous year.

The Company's strong financial and operational performance during 2008-09 and the optimistic outlook about the Company's continued growth in the years to come enabled the Board to declare a dividend of 12% to its Equity Shareholders.

To conclude, your Company has delivered good performance, particularly viewed in the backdrop of the challenging environment the entire Industry faced during the year under discussion.

**Human Resources and Industrial Relations:**

Your Company believes in peaceful and harmonious relationship with the personnel of all levels to achieve the targeted goals of the Company. The Company also firmly believes in empowering its employees and constantly takes various measures to achieve this. The company follows certain policies for its employee's safety. The company also has a well defined policy to recruit qualified professionals with proven track record in operations and business development, which would provide able support to management in its endeavor to scale greater heights.

The Company has maintained cordial and harmonious Industrial Relations throughout the year.

**Major Projects under Progress:**

The Company along with its Group Companies & Associates is executing following Projects of diversified portfolio viz. Residential, Commercial, Shopping Mall, Multiplex through Ownership/Joint Ventures/Joint Development/Turnkey Contracts.

**Cautionary Statement:**

Statements contained in this Management Discussion and Analysis Report regarding the Company's objective, projections about the future, estimates, expectations or predictions including but not limited to, statements about the Company's strategy for growth, market position and expenditures may be "forward looking statements" within the meaning of applicable securities laws and regulations.

Actual performance could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting price conditions in the domestic market in which the company operates or changes in the Government regulations, tax laws and other statutes or other incidental factors.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

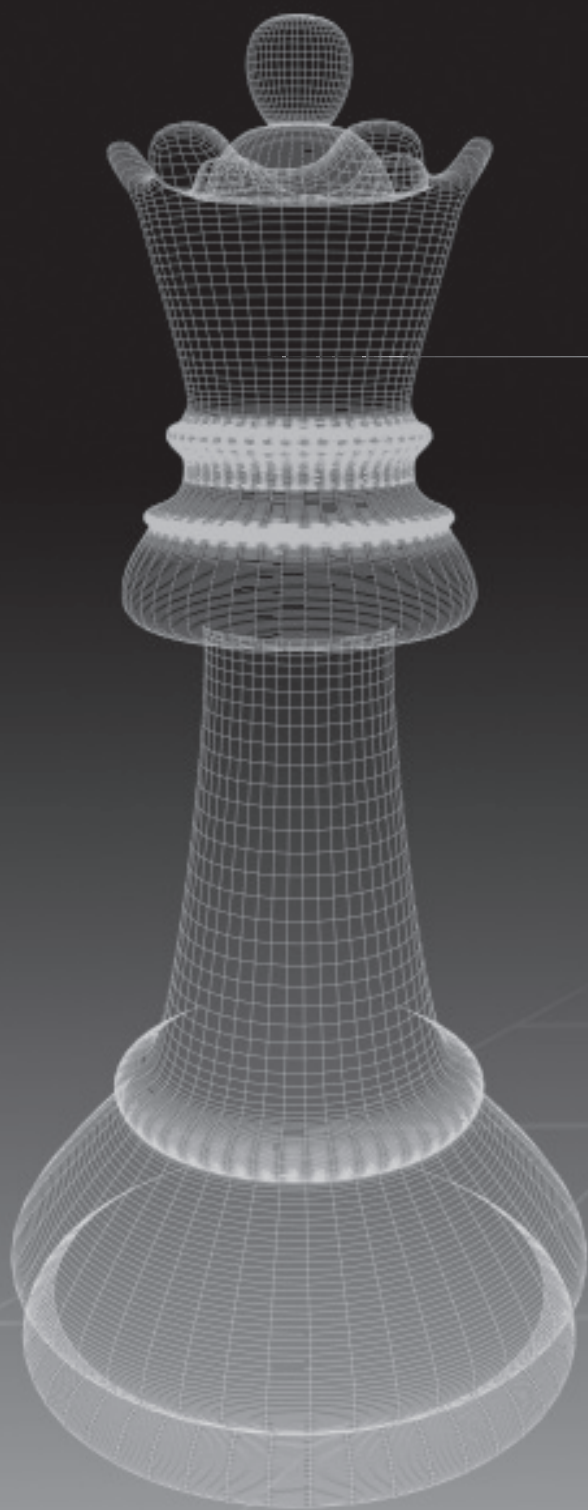


### PROJECTS UNDER EXECUTION

Name of the project	Nature of Project	Built up area in sft.,	Parking area in sft.,	Nature of Association	Total estimate turnover (In Cr.)	Expected time of compltn.
Manjeera Heights Phase II Project – Saroor Nagar, Hyd	Residential	2,52,521	66,940	Own Project	40.00	March'10
Smarthomes Villas-Quitbullahpur, Hyd	Residential	1,01,200	—	Under Development agreement where MCL Share in BUA is 57.50%	15.00	March'10
Smarthomes Apts., - Quitbullahpur, Hyd	Residential	83,982	18,895	Own Project	15.97	March'10
Manjeera Residency, Hyd	Residential	15,336	5,530	Own Project	6.79	March'11
Kukatpally –S2B, Hyd	Residential	3,85,518	1,37,083	100% ownership of Developmental rights from APHB	128.18	March'11
Manjeera Diamond Towers, Gopanpally, Hyd	Residential	14,69,214	6,20,009	Project execution as Contractors.	120.00	March'12
Bhubhaneshwar Project	Residential	6,12,718	1,56,420	Contract on Turnkey basis obtained from CGEWHO	55.00	Sept'11
Hydershakote - Hyderabad	Residential	5,25,591	1,58,680	Construction Contract.	25.00	Sept'10
Total		34,46,080	11,63,557		405.94	

### PROJECTS EXECUTED BY GROUP / ASSOCIATES / SUBSIDIARY / WHERE MCL IS INTERESTED

Kukatpally	Commercial /Retail/Office	13,25,000	6,16,000	Executed in SPV – Manjeera Retail Holdings Pvt. Ltd., where MCL has equity stake of 51%. (Estimated sales revenue is Rs.974 crs.)		
Kukatpally	Residential/ Office/Retail/ Commercial	6,57,000	2,76,000			
Hydershakote - Hyd.	Residential	5,25,591	1,58,680	Contract on Turnkey basis obtained from CGEWHO by the Group Company – Ambica Chennakesava Projects Limited in which MCL has equity stake to the extent of 50%. (Estimated sales revenue is Rs. 45 Crs.)		
Gachibowli	Commercial	4,00,000	2,00,000	Executed in SPV – GM Infraventures Limited where MCL has equity stake of 26% (Estimated Sales revenue is Rs.185.21 Crs.)		
Total		29,07,591	12,50,680			



"Having good strategies in playing chess is often a good indication of being focused in life."

Martin Dansky



*.MOVE: The Queen moves forwards, backwards, sideways or diagonally, but only one kind at a time.*

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting and adhering to the Corporate Governance practices and continuously benchmarking itself against such practices. The company makes the management transparent and efficient to maximize the long term value of all the stake holders. For the Company Corporate Governance stands for transparency, accountability, integrity and commitment to corporate ethics and values.

As the company grows, it continues to focus on raising the standards of corporate governance and upgrading its governance practices and systems to effectively meet the new challenges facing the company.

Your Company confirms the compliance of Corporate Governance as contained in Clause-49 of the Listing Agreement, the details of which are given below:

### 2. BOARD OF DIRECTORS

#### a) Composition of the Board:

The Company's Policy is to maintain optimum combination of executive and non-executive directors on its Board. The Board of Directors of the Company consists of four directors, of which two are independent directors. The composition of the Board is in conformity with clause-49 of the Listing Agreements with the Stock Exchanges.

Composition of the Board and category of Directors are as follows:

Name of the Director	Relationship with other Directors	Designation	Category
Mr. G. Yoganand	Related to G. Shivalleelanand	Managing Director	Promoter & Executive
Mr. G. Shivalleelanand	Related to MD	Director	Promoter & Non - Executive
Mr. K. Krishna Murthy	None	Director	Non - Executive Independent
Mr. D. L. S. Sreshti	None	Director	Non - Executive Independent

The Directors are having wide range of expertise and experience in diverse fields which bring the company wide range of skills.

#### b) Board Meetings Attendance & Other Directorships:

During the year under review, 5 (five) Board Meetings were held on 30th June, 2008; 28th July, 2008; 23rd August, 2008; 30th October, 2008 and 30th January, 2009.

Details of attendance of directors at board meetings and general meetings of members held during the year and also the details of other Directorships and Memberships/Chairmanships of Committees of each Director in other companies are as follows:

Name of the Director	Attendance Particulars		No. of Other Directorships and Committee Memberships/Chairmanships in other Public Limited Companies		
	No. of Meetings	Present	No. of Directorships	No. of Memberships/Chairmanships	No. of Committees
Mr. G. Yoganand	5	Yes	2	Nil	Nil
Mr. G. Shivalleelanand	4	Yes	Nil	Nil	Nil
Mr. K. Krishna Murthy	4	Yes	Nil	Nil	Nil
Mr. D. L. S. Sreshti	5	Yes	1	Nil	Nil

\* This excludes Directorships held in foreign companies, private companies and alternate Directorships.

c) Board Committees:

To enable better and more focused attention on the affairs of the company, the Board delegates particular matters to Committees of the Board set up for the purpose. At present the Board has constituted three committees consisting members of the Board.

Details of the Committees and other related information are provided hereunder:

Name of the Director	Name of the Committee		
	Audit	Share Transfer and Investors Grievance	Remuneration
Mr. G. Yoganand	No	No	No
Mr. G. Shivalleelanand	Yes	Yes	Yes
Mr. K. Krishna Murthy	Yes	Yes	Yes
Mr. D. L. S. Sreshti	Yes	Yes	Yes

These committees facilitate timely and efficient deliberations and decisions. These committees function within their defined terms of reference in accordance with the Companies Act, 1956, the Listing Agreements and as approved by the Board of Directors.

None of the Directors on the Board is a member of more than ten committees nor was the Chairman of more than five committees across all companies in which they are directors.

### 3. AUDIT COMMITTEE

The main objective of the Audit Committee is to review with management, the quarterly / annual financial statements prior to recommending the same to the Board for its approval. The Committee also assists the Board in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirement.

a) Terms of Reference:

The terms of reference of the Audit Committee inter alia, cover the matters specified under Clause-49 of the Listing Agreement as well as the provisions specified in Section – 292 A of Companies Act, 1956 and more particularly include the following:

- i) To review the company's financial reporting process and disclosures of financial information.
- ii) Review of Internal Control Systems and Procedures
- iii) Review of Related Party Transactions
- iv) Review of Risk management policies and practices
- v) Review the performance of auditors to ensure that an objective, professional and cost effective relationship is maintained.

b) Role of Audit Committee:

The role of the audit committee includes the following activities:

- i) Recommends the Board, the appointment or re-appointment of Statutory Auditors and the audit fees payable to them.
- ii) To discuss with statutory auditors about the nature & scope of audit prior to the commencement of audit and areas of concern, if any, arising post audit.
- iii) Approving fees payable to statutory auditors for other services rendered by them.
- iv) To investigate any activity within its terms of reference

c) Composition and Meetings of the Committee:

The Audit Committee comprises of two independent directors and one non-executive director. The Company Secretary of the company is the secretary to the committee. Sri D.L.S. Sreshti is the Chairman of the Committee. He possess requisite financial / accounting expertise. The quorum for the meeting of the committee is two members. The committee acts as a link between the management, statutory auditors and the Board of Directors.

In addition to the members and company secretary, representatives of statutory auditors are also invited to attend the audit committee meeting to reply to the queries, if any, by the committee members.

During the year under review, the Audit Committee met five times. The dates on which audit committee meetings were held are 15th April, 2008; 30th June, 2008; 28th July, 2008; 30th October, 2008 and 30th January, 2009.

The composition and attendance of the members at the meeting of the Audit Committee is as under:

Name of the Member	Designation	Nature of Directorship	No. of Meetings Attended
Mr. D. L. S. Sreshti	Chairman	Independent & Non-Executive Director	5
Mr. K. Krishna Murthy	Member	Independent & Non-Executive Director	4
Mr. G. Shivaleelanand	Member	Promoter & Non-Executive Director	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

#### 4. REMUNERATION COMMITTEE

The Board has constituted a remuneration committee. The remuneration policy of the company is directed towards rewarding performance on a periodic basis.

- i) Terms of Reference:
  - a. To frame the remuneration policy of the company and to ensure that it is consonance with the Industry Standards.
  - b. Considering and recommending the appointment of relatives of directors on office or at a place of profit under section-314 of the Companies Act, 1956 or any rules made there under.
- ii) Composition and Meetings of Committee:  
The Committee comprises of the following Members:

Name of the Member	Designation	Nature of Directorship
Mr. D. L. S. Sreshti	Chairman	Independent & Non-Executive Director
Mr. K. Krishna Murthy	Member	Independent & Non-Executive Director
Mr. G. Shivaleelanand	Member	Promoter & Non-Executive Director

No meeting of the Remuneration Committee was held during the financial year 2008-09.

iii) Remuneration paid to Directors:

**Executive Directors**

The details of remuneration paid/payable to the Managing Director for the financial year 2008-09 is as given below:

Name of the Director	Period of Contract	Salary	Commission	Loans and Advances from the Company	Total
Mr. G. Yoganand	From 1st July, 2005 to 30th June, 2010.	42,00,000	Nil	Nil	42,00,000

The present remuneration structure of MD comprises of salary, perquisites and allowances. The remuneration of the Managing Director has been approved by the Shareholders of the company.

**Non-Executive Directors**

All the Non-Executive directors receive remuneration only by way of sitting fees for each meeting of the Board. Sitting fees @ Rs. 2,500/- per meeting up to September, 2009 and @ Rs. 5,000/- per meeting from October, 2009 is paid for attending each meeting of the Board.

The details of sitting fees paid to Non-Executive Directors for the financial year 2008-09 are as under:

Name of the Director	Sitting Fees (Amount in Rs.)
Mr. G. Shivaleelanand	15,000
Mr. K. Krishna Murthy	12,500
Mr. D. L. S. Sreshti	17,500



## 5. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

As part of Corporate Governance initiative, the company has constituted Share Transfer & Investors Grievance Committee to look into the matters related to approval of share transfers, transmissions, dematerialization, issue of duplicate share certificates, non-receipt of Annual Reports, non-receipt of dividends and other issues concerning shareholders / investors. Sri K. Krishna Murthy is the Chairman of the Committee.

The Committee comprises of the following members:

Name of the Member	Designation	Nature of Directorship
Mr. K. Krishna Murthy	Chairman	Independent & Non-Executive Director
Mr. D. L. S. Sreshti	Member	Independent & Non-Executive Director
Mr. G. Shivaleelanand	Member	Promoter & Non-Executive Director

Ms.T. Deepthi, Company Secretary of the company was nominated as Compliance Officer under Clause-47(a) of the Listing Agreement and is responsible for expediting the share transfer formalities. She also looks into the investor grievances and supervises & co-ordinates with M/s. XL Softech Systems Limited, Registrar & Share Transfer Agent for redressal of grievances. Every quarter the company is publishing the status of complaints received and their respective redressal.

The Company has a designated e-mail address, investors@manjeera.com to redress investors' grievances. During the year, the company has not received any complaints from its shareholders. There was no un-resolved investor complaint as at the end of the financial year.

The contact details of Compliance Officer & Company Secretary are as given below:

Ms. Deepthi .T

Company Secretary & Compliance Officer

Manjeera Constructions Limited

# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038

Tel: 040-2373 5194/ 2374 3017/ 2373 0231 Fax: 040-2373 3763

E-mail Id: deepthi@manjeera.com

## 6. GENERAL BODY MEETINGS

### a) Annual General Meetings:

The details of date, time and location of Annual General Meetings (AGM) of the Company held during the last three years and the Special Resolutions passed thereat are as follows:

Meeting	Venue	Date	Time	No. of. Special Resolutions passed
21st AGM	Aditya Park Hotel, Ameerpet, Hyderabad	20th September, 2008	10.00 A.M.	2
20th AGM	Aditya Park Inn Hotel, Ameerpet, Hyderabad	29th September, 2007	11.00 A M	4
19th AGM	Aditya Park Inn Hotel, Ameerpet, Hyderabad	30th June, 2006	11.00 A M	1

- b) Extra-Ordinary General Meetings:  
No Extra-Ordinary General Meeting was held during the year under review.
- c) Postal Ballot:  
During the year, the company has not passed any resolution through postal ballot.  
At present, the Company is proposing to pass one special resolution by way of postal ballot

## 7. DISCLOSURES

- i) Related Party Transactions:  
None of the transactions with any of the related parties were in conflict with the interest of the Company. The Company's related party transactions are generally with its Key Managerial Personnel, Associates, Joint Venture Partners and the Companies in which the Key Management Personnel have significant influence. All the related party transactions are negotiated on arms length basis and are solely intended to further the interests of the company. Details of related party transactions entered by the company in the normal course of business are included in the "Notes to Accounts".
- ii) There were no penalties or strictures imposed on the company by any statutory authorities for non-compliance of any matter related to capital markets, during the last three years.
- iii) The company has complied with the applicable Accounting Standards notified by the Institute of Chartered Accountants of India in preparation of financial statements.
- iv) The company has complied with all the mandatory requirements as stipulated under Clause-49 of the Listing Agreement with the Stock Exchanges in India.
- v) Compliance with Non-Mandatory Requirements:
- a) Remuneration Committee  
The Company has set-up a remuneration committee of directors to determine the company's policy on remuneration packages of executive directors. The Committee comprises majority of independent directors. Sri D.L.S. Sreshti, an independent director of the company is the Chairman of the Committee.

b) Shareholder Rights

The Company publishes its results on its websites at [www.manjeera.com](http://www.manjeera.com) which is accessible to the public at large. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent separately to each household of shareholders. The Company's results for each quarter are published in an English Paper having a wide circulation and also in a Telugu newspaper having a wide circulation in Andhra Pradesh. Hence, half-yearly results are not sent to the shareholders individually.

c) Audit Qualifications

During the period under review, there is no audit qualification in company's financial statements. The Company continues to adopt best practices to ensure regime of un-qualified financial statements.

As regards other non-mandatory requirements, the Board has taken cognizance of the same and may consider adopting them as and when deemed appropriate.

## 8. MEANS OF COMMUNICATION

i) Quarterly /Half-Yearly /Annual Results:

The Quarterly, Half-Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

ii) News Releases:

The Quarterly, Half-Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered and are circulated at least in one English newspaper and in one Vernacular newspaper of the state where the Registered Office of the Company is situated.

The details of publication of Financial Results during the financial year 2008-09 are as given below:

Quarter	Date of Board Meeting	Date of Publication	Name of the Newspapers
1	28-07-2008	30.07.2008	Eenadu, Economic Times and Times of India
2	30-10-2008	01.11.2008	Andhra Prabha and The Financial Express
3	30-01-2009	01.02.2009	Andhra Prabha and The Financial Express

- iii) Website:  
The Company's website www.manjeera.com contains a separate dedicated section "Investors" where latest information for shareholders is available. The Quarterly, Half-Yearly and Annual Results of the company are simultaneously posted on the website.
- iv) Presentations to Analysts:  
No presentations were made to any Analysts during the financial year 2008-09.
- v) Annual Report:  
Annual Report containing Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Annual Report is also available on the Company's Website.  
  
The "Corporate Governance Report" and "Management Discussion & Analysis Report" also forms part of the Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

- i) Company Registration Details:  
The Company is registered in the State of Andhra Pradesh, India. The Corporate Identity Number allotted to the company by the Ministry of Corporate Affairs (MCA) is L45200AP1987PLC007228.
- ii) Details of 22nd Annual General Meeting:  
Date and Time: Wednesday, 30th September, 2009 at 11.00 A.M.  
  

Venue	:	Aditya Park Hotel, Ameerpet, Hyderabad – 500 038.
Date of Book Closure	:	27-09-2009 to 30-09-2009 (Both days inclusive)
Dividend Payment Date	:	Within thirty days from the date of declaration
- iii) Financial Calendar 2009-2010:

Results for the First Quarter ending 30th June, 2009	:	July, 2009
Results for the Second Quarter ending 30th September, 2009	:	October, 2009
Results for the Third Quarter ending 31st December, 2009	:	January, 2010
Annual Results for year ending 31st March, 2010	:	April/May, 2010
Annual General Meeting for the year 2010	:	September, 2010
- iv) Listing on Stock Exchanges  
The Company's Equity Shares are listed on the following Stock Exchanges in India and the annual listing fee has been paid:
  - a) **Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
  - b) **Bangalore Stock Exchange Ltd.**  
Stock Exchange Towers, 51, 1st Cross, J C Road, Bangalore – 560027

c) **Madras Stock Exchange Ltd.**

P.O.Box no 183, New No:30, (old no: 11), Second Line Beach, Chennai – 600001

d) **Ahmedabad Stock Exchange Ltd.**

Kamdhenu Complex, Opp.Sahajanand College,  
Panjarapole, Ambawadi, Ahmedabad - 380001

v) Stock Code

Scrip Code on BSE	:	533078
Trading Symbol on BSE	:	MANJEERA
Demat ISIN in NSDL & CDSL for Equity Shares	:	INE320D01018.

vi) Market Price Data:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited with effect from 3rd June, 2009. Hence, the details of high and low of the Market Price Data of equity shares of the company for the financial year ended 31st March, 2009 is not applicable.

vii) Details of Registrars and Share Transfer Agents:

**M/s. XL Softech Systems Limited**

Plot No.3, Sagar Society, Banjara Hills, Road No.2, Hyderabad – 500 034

Tel: +91-40- 23545913/ 14/ 15. Fax: +91-40- 23553214 Email:xlsoft@org.com

Website: [http:// www.xlsoftech.org](http://www.xlsoftech.org) Contact Person: Mr.R. Ram Prasad

viii) Share Transfer System:

The Company's shares are compulsorily traded in the dematerialized form. Power has been delegated to the Company Secretary and the Registrar & Share Transfer Agents for expediting share transfers.

The Share Transfer requests which are valid and complete in all respects are normally processed within 15 days of receipt of the documents. Shares under objection are returned within two weeks. Valid requests for demat of shares are completed within 10 days.

The Board has delegated the authority for approving transfers, transmissions etc. of the company's securities to the Share Transfer & Investors Grievance Committee. The summary of transfer/transmission of securities of the company, so approved by the Share Transfer & Investors Grievance Committee is placed at every consequent Board Meeting.

The dematerialized shares are transferable through the depository system. Share Transfers in physical form are processed by the Registrars & Share Transfer Agents at the above mentioned address and are approved by Share Transfer & Investors Grievance Committee.

The company obtains from a company secretary in whole-time practice, the half-yearly audit certificate with regard to compliance of share transfer formalities as required under Clause-47 © of the Listing Agreement with Stock Exchanges and also files a copy of the same with the Stock Exchanges.

ix) Details of Shareholding: Shareholding Pattern

The details of shareholding pattern of the company as on 31st March, 2009 is as follows:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized Form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+c)	No. of Shares	As a %
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	4	8236089	8236089	65.84%	65.84%	200000	1.60
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	3	1076256	1076256	8.60%	8.60%	Nil	Nil
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Any Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub Total (A)(1)</b>	<b>7</b>	<b>9312345</b>	<b>9312345</b>	<b>74.45%</b>	<b>74.45%</b>	<b>200000</b>	<b>1.60</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	Any Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub Total(A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>9312345</b>	<b>9312345</b>	<b>74.45%</b>	<b>74.45%</b>	<b>200000</b>	<b>1.60</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions// Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Number of Shares held in Dematerialized Form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a %
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	6	293834	293834	2.33%	2.33%	Nil	Nil
(b)	Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i.	Individual Shareholders holding nominal Share Capital up to Rs. 1 lakh.	490	314183	99732	2.51%	2.51%	Nil	Nil
ii.	Individual Shareholders holding nominal Share Capital in excess of Rs. 1 lakh.	57	2551806	2192629	20.42%	20.42%	Nil	Nil
c)	Any Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i.	Non Resident Individuals	16	36250	6250	0.29%	0.29%	Nil	Nil
ii.	Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii.	Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iv.	Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(2)</b>	<b>569</b>	<b>3196073</b>	<b>2592445</b>	<b>25.55%</b>	<b>25.55%</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>569</b>	<b>3196073</b>	<b>2592445</b>	<b>25.55%</b>	<b>25.55%</b>	<b>Nil</b>	<b>Nil</b>
	<b>TOTAL (A)+(B)</b>	<b>576</b>	<b>12508418</b>	<b>11904790</b>	<b>100%</b>	<b>100%</b>	<b>200000</b>	<b>1.60</b>
c)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>576</b>	<b>12508418</b>	<b>11904790</b>	<b>100%</b>	<b>100%</b>	<b>200000</b>	<b>1.60</b>

During the financial year 2008-09, the Company has not issued any equity shares. There are no ADRs / GDRs / Warrants or any Convertible Instruments issued by the company.

**Distribution of Shareholding:**

The distribution of shareholding as on 31st March, 2009 is detailed below:

Distribution of Shares	No. of Shareholders	% of Shareholding	Nominal Value of shares (Rs.)
Up to 5000	360	62.39	547690
5001-10000	59	10.23	400980
10001-20000	55	9.53	745480
20001-30000	7	1.21	180520
30001-40000	16	2.77	549080
40001-50000	3	0.52	142620
50001-100000	11	1.91	893210
100001 and above	65	11.44	121624600
Total	576	100	125084180

x) Dematerialization of Shares and Liquidity:

The company has made arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for demat facility. 1,19,04,790 equity shares aggregating to 95.17% of the total Equity Capital is held in dematerialized form as on 31st March, 2009.

The Equity Shares of the company are compulsorily traded in electronic form through Stock Exchanges. The equity shares of the company are traded on BSE with effect from 3rd June, 2009 and thus ensure liquidity for the investors.

xi) Work Sites for Contracts:

The company has numerous work sites and the operations are controlled from the Registered & Head Office of the company situated at # 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038, Andhra Pradesh.

xii) Address for Communication

In the event of any queries / grievances contact:

Ms. T. Deepthi

Company Secretary & Compliance Officer

Manjeera Constructions Limited

# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038

Tel: 040-2373 5194/ 2374 3017/ 2373 0231 Fax: 040-2373 3763

E-mail Id: deepthi@manjeera.com & investors@manjeera.com



## 10. CORPORATE ETHICS

The company adheres to the high standards of business ethics, compliance with statutory & legal requirements and commitment to transparency in business dealings.

- a) Code of Conduct for Board Members and Senior Management  
Pursuant to Clause-49(D) of the Listing Agreement, the company has adopted a comprehensive Code of Conduct which is applicable to all Directors and Key Management Personnel. The code has been circulated to all the members of the Board and Key Management Personnel.

The code framed by the company is based on the principle that the Directors and Senior Management Executives shall act in accordance with the high standards of honesty, integrity, fairness & ethical conduct and also shall exercise utmost good faith and due care in performing their duties.

The company has also posted the code of conduct on its website [www.manjeera.com](http://www.manjeera.com).

- b) Share Dealing Code:  
The company has also adopted a Share Dealing Code in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended) for Prevention of Insider Trading by its Management, Staff and Directors. The code is applicable to all directors, employees, designated employees and their dependents.

The code lays down guidelines and procedures to be followed and also disclosures to be made by the directors, top level executives and staff whilst dealing in shares of the company. The specified categories of persons are restricted from dealing in securities of the company during the "restricted trading periods" notified by the company, from time to time.

The Company Secretary of the company is appointed as Compliance Officer and is responsible for adherence to the code.

## 11. SUBSIDIARY MONITORING FRAME WORK

The company's subsidiary is managed with its own Board having the rights and obligations to manage such company in the best interest of its shareholders. As a majority shareholder, the company nominates its representatives on the Board of subsidiary and also monitors the performance of the subsidiary company by periodical reviews.

## 12. COMPLIANCE CERTIFICATE OF AUDITORS:

The Company has obtained a certificate from the statutory auditors confirming compliance with the conditions of corporate governance as stipulated in clause-49 is attached to this report.

**Details of the Director seeking re-appointment at the forthcoming Annual General Meeting**  
(Pursuant to Clause- 49 of the Listing Agreement)

Name of the Director	Mr. G. Shiva Leelanand
Date of Birth	10th May, 1968
Designation	Promoter & Non-Executive Director
Date of Appointment	29th September, 2007
Educational Qualifications	B. Arch. from Jawaharlal Nehru Technology University (JNTU), Hyderabad. He is also a Post Graduate in Architecture in Urban Design from School of Architecture, CEPT, Ahmedabad.
Areas of Experience	He has vast experience in Architectural Designing, Project Evaluations, Planning and Management.
Companies in which he holds directorship	Nil
Membership / Chairmanship of Board Committees	Member of Audit Committee, Remuneration Committee and Share Transfers & Investors Grievance Committee of Manjeera Constructions Limited.
Shareholding	43,768 Equity Shares

LIFE  
UPGRADED



MANJEERA TRINITY MALL

The goal behind Manjeera Trinity Mall is to skillfully combine comfort with dynamic design elements. The mall is all about urban effervescence and caters to connoisseurs of food and entertainment through state-of-the-art gaming zones, food courts, a multiplex and lifestyle shopping.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Manjeera Constructions Limited

We have examined the compliance of conditions of corporate governance by Manjeera Constructions Limited ("the Company") for the year ended 31st March, 2009 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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For M/s. A.K.SABAT & CO.  
Chartered Accountants

Place: Hyderabad  
Date: 30.06.2009

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No. 51961

### CERTIFICATION OF FINANCIAL REPORTING & INTERNAL CONTROLS

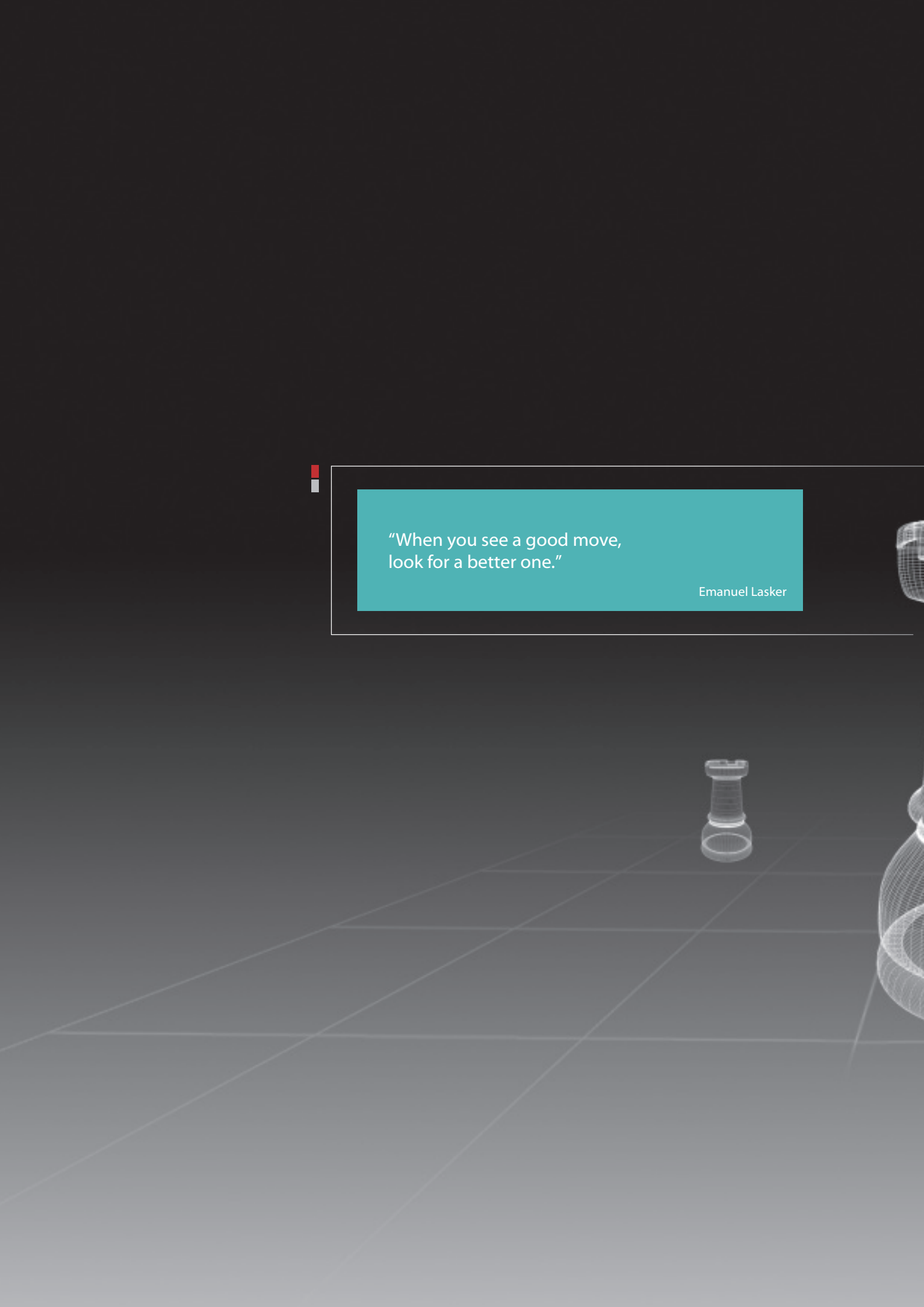
In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, We G. Yoganand, Managing Director & Chief Executive Officer and P. Sobhanadri, Senior Vice-President & Chief Financial Officer of Manjeera Constructions Ltd. (the company) hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
  - i) That there has not been any significant changes in internal control over financial reporting during the year.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.
- e) We affirm that we have not denied any personnel to the Audit Committee of the company in respect of matters involving alleged misconduct, if any
- f) We further declare that all Board Members and Senior Management have affirmed compliance with the code of conduct for the current year.

Place: Hyderabad  
Date: 30.06.2009

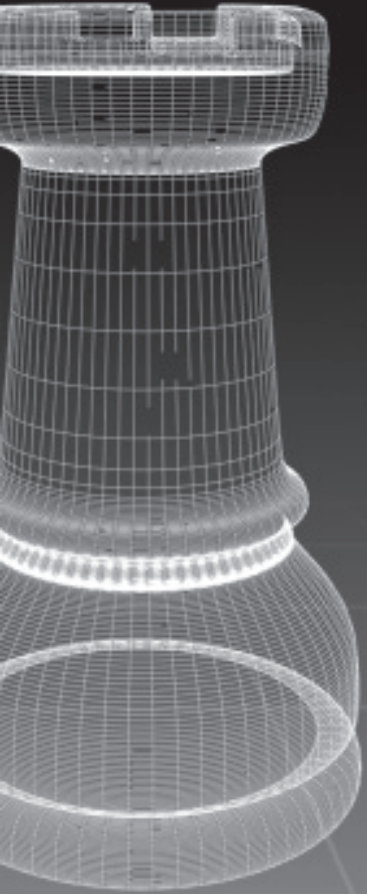
Sd/-  
(G. Yoganand)  
Managing Director  
& Chief Executive Officer

Sd/-  
(P. Sobhanadri)  
Senior Vice-President &  
Chief Financial Officer



"When you see a good move,  
look for a better one."

Emanuel Lasker



*MOVE: The Castle moves any number of spaces forwards, backwards or sideways, but only in one direction at a time.*





## AUDITOR'S REPORT

### TO THE MEMBERS OF MANJEERA CONSTRUCTIONS LIMITED

1. We have audited the attached Balance Sheet of MANJEERA CONSTRUCTIONS LIMITED as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 

For A.K. Sabat & Co.,  
Chartered Accountants

Place: Hyderabad.  
Date : 30.06.2009

Sd/-  
(D.VIJAYA KUMAR)  
PARTNER  
Membership No: 51961

#### **ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The management at reasonable intervals has carried out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
  - c) There has been no disposal off substantial part of the fixed assets by the Company during the year affecting the going concern status.
- ii)
  - a) Inventory, property development projects(in progress), Contract projects (work in progress) and apartments held for sale, has been physically verified by the management at reasonable intervals during the year.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- iii)
  - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6,03,90,000 and year-end balance of loans taken from such party is Rs.1,50,00,000.
  - b) The rate of interest and other terms and conditions of unsecured loans taken by the Company are not prima-facie prejudicial to the interest of the Company.
  - c) The interest payments and Principal repayment of loan taken is as per the terms and conditions of loan.
  - d) There are no overdue amount of interest and principal in respect of unsecured loan taken.
- iv) There is an adequate internal control system commensurate with size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weakness in such internal control systems.

- v) a) The particulars or contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five Lac rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted deposits from the public to which provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply. Accordingly the provisions of paragraph (vi) of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products and services.
- ix) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales-tax, service tax and other statutory dues as applicable with the appropriate authorities.
- (b) There are no dues of sales tax, service tax and income tax which have not been deposited on account of any dispute.
- x) The Company does not have any accumulated losses as at 31st March, 2009 and has not incurred cash losses in the year and in the immediately preceding financial year.
- xi) The Company during the year has not defaulted in repayment of dues to financial institutions. There are no debentures.
- xii) The Company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special Statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv) The Company does not deal or trade in securities. Accordingly the provisions of paragraph (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, the Company has given guarantee for loans taken by the subsidiary company from banks and financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.

- xvi) The term loans taken by the Company have been applied for the purpose for which they were obtained.
  - xvii) Funds raised on short-term basis have not been used for long term investment.
  - xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - xix) As there are no debentures outstanding at the year end, paragraph (xix) of the Order is not applicable
  - xx) No monies raised by public issues by the Company during the year under consideration.
  - xxi) No fraud on or by the Company was noticed or reported during the year.
- 

For A.K. Sabat & Co.,  
Chartered Accountants

Place: Hyderabad.  
Date : 30.06.2009

Sd/- (D.VIJAYA KUMAR)  
PARTNER  
Membership No: 51961

FOR AN  
ENRICHING  
LIFE

MANJEERA TRINITY HOMES



Premium homes take on an all together new meaning at Manjeera Trinity Homes.

Beautifully designed homes will now hobnob with shopping and entertainment spaces to take convenience to new levels.

Who better than Manjeera to create that perfect 'mixed use environment' which can seamlessly blend into the fabric of the City?

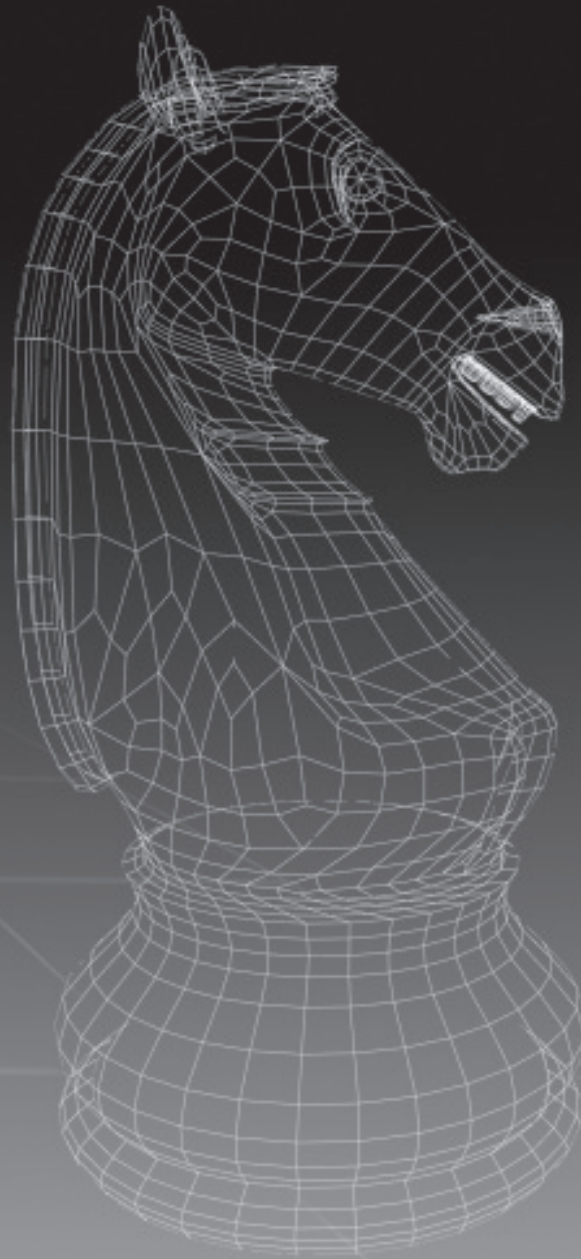
"Good positions don't win games,  
good moves do."

Gerald Abrahams



*MOVE: Two (up or back) and one over (right or left), or, two over (right or left) and one (up or back). The Knight cannot be blocked.*

locked by pieces in its way.



**MANJEERA CONSTRUCTIONS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCH	AS AT 31.03.2009 RS.		AS AT 31.03.2008 RS.	
<b>SOURCES OF FUNDS</b>					
1. Shareholders funds					
a. Share capital	1	125084180		125084180	
b. Reserves and surplus	2	325014345	450098525	241510328	366594508
2. Loan funds					
a. Secured loans	3	331648005		303725745	
b. Unsecured loans	4	69864620	401512625	9282182	313007927
3. Deferred tax liability			9628142		1153737
<b>TOTAL</b>			<b>861239292</b>		<b>680756172</b>
<b>APPLICATION OF FUNDS</b>					
1. Fixed assets	5				
a) Gross block		87012241		42528690	
b) Less: Depreciation		20267422		9898262	
c) Net block			66744819		32630428
2. Investments	6		524199960		524199960
3. Current assets, loans and advances (A)					
a) Inventories	7	513474458		407717230	
b) Sundry debtors	8	43674439		30811017	
c) Cash and bank balances	9	15179598		15335791	
d) Loans and advances	10	85572058		88966023	
		657900553		542830061	
Less : Current liabilities and provisions (B)					
a) Current liabilities	11	336878607		390511841	
b) Provisions	12	53012999		31524358	
		389891606		422036199	
Net current assets (A) - (B)			268008947		120793862
4. Miscellaneous expenditure (to the extent not written off or adjusted)	13		2285566		3131922
<b>TOTAL</b>			<b>861239292</b>		<b>680756172</b>
<b>Accounting policies and Notes on Accounts.</b>	<b>19</b>				

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 30.06.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No. : 51961



MANJEERA CONSTRUCTIONS LIMITED  
 PROFIT AND LOSS ACCOUNT FOR THE  
 YEAR ENDED 31st MARCH,2009

	SCH	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>INCOME</b>			
Sale of space			
- Manjeera Heights project		145629395	47514749
- Smart Homes Villas Project		2173200	8346400
- Smart Homes Apartments project		2294150	—
Contract receipts		461475612	274589052
Energy sales		5102621	—
Property manangement services		20000000	50000000
Miscellaneous income	14	1733480	8534069
		<b>638408458</b>	<b>388984270</b>
<b>EXPENDITURE</b>			
Cost of apartments sold	15	84955612	43045230
Contract expenses	16	378717971	216922133
Administrative expenses	17	24984914	22507446
		<b>488658498</b>	<b>282474808</b>
<b>PROFIT</b>			
Profit before interest, depreciation & Tax		149749960	106509462
Interest & financial expenses	18	15787199	28400845
Profit before depreciation & Tax		133962762	78108617
Depreciation		10369160	3303717
Profit before taxation		123593602	74804900
Provision for taxation		14054111	21380023
Provision for Deferred tax liabilities for the year		8474405	244679
Profit after tax		101065086	53180198
Profit brought forward		75773426	36300952
Profit for appropriation		176838512	89481150
<b>APPROPRIATION</b>			
General Reserve		3000000	1500000
Proposed Dividend		15010102	10507078
Income tax on Proposed Dividend		2550967	1700646
Balance transferred to Reserves and Surplus		156277443	75773426
Earnings per share - (basic & diluted) Rs.		8.08	6.40
<b>Accounting policies and Notes on Accounts</b>	<b>19</b>		

For and on behalf of the Board of Directors

As per our report of even date  
 for A.K.Sabat & Co.,  
 Chartered Accountants

Place : HYDERABAD  
 Date : 30.06.2009

Sd/-  
 (G.YOGANAND)  
 Managing Director

Sd/-  
 (G. SHIVA LEELANAND)  
 Director

Sd/-  
 (DEEPTHI. T)  
 Company Secretary

Sd/-  
 (D.VIJAYA KUMAR)  
 Partner  
 Membership No. : 51961

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART**  
**OF THE BALANCE SHEET**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 1 SHARE CAPITAL</b>		
Authorised :		
2,50,00,000 Nos. equity shares of Rs. 10 each.	250000000	250000000
Issued, subscribed & paid up:		
1,25,08,418 (1,25,08,418) Nos. equity shares of Rs. 10 each fullypaid up. (Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves in earlier years and Rs. 75,05,043 No's right shares issued during previous year)	125084180	125084180
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	18636042	15636042
Profit and Loss Account	156277443	75773426
Share premium	150100860	150100860
	<b>325014345</b>	<b>241510328</b>
<b>SCHEDULE : 3 SECURED LOANS</b>		
Term Loan :		
Housing Development Finance Corporation Limited (Secured by deposit of the title deed of office premises at Aditya Trade Centre, Ameerpet)	17596468	22329335
Housing and Urban Development Corporation Limited (Secured by equitable mortgage of land under Chitra Layout, Saroor Nagar, Hyderabad along with construction to be made thereon with first charge on all revenues receivable and immovable property present and future pertaining to the project)	32181444	25236410
ICICI Bank Limited (Secured by the assets of the Smart Homes project)	12000000	14660000
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanally project )	47475170	150000000
Tata Capital Limited (Secured by the Wind Turbine Generator )	27925275	31500000

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
Tata Capital Limited (Secured by the non standard equipment )	12765234	10000000
Andhra Pradesh State Financial Corporation, (Secured by collateral security amounting to Rs. 625 lac provided by way of urban immovable properties)	46000000	50000000
Canara Bank Limited (Secured by equitable mortgage of development rights of the company over 1.23 acres of land at Plot S-2, Sy.No.1050 located at Kukatpally, Hyderabad alongwith proposed residential buildings with build up area of 402000 sq.ft including car parking space of 93924 sq.ft)	66693238	—
ICICI Bank Limited (Secured by hypothecation of the scheduled receivables and account assets and by way of exclusive charge)	14962433	—
Yes Bank Limited - Working capital demand loan (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	50000000	—
Interest accrued & due	4048743	
	<b>331648005</b>	<b>303725745</b>
<b>SCHEDULE : 4 UNSECURED LOANS</b>		
Vehicle financiers	1789278	2182597
Intercorporate deposits	21000000	7099585
India Bulls Financial Services Limited -Loan against property		47075342
	<b>69864620</b>	<b>9282182</b>
(Amount repayable within one year Rs. 2,37,45,031 - previous year: Rs. 78,52,375)		

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

SCHEDULE 5: FIXED ASSETS

ASSET	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
	As at 31.03.2008 Rs.	Additions Rs.	As at 31.03.2009 Rs.	Upto 01.04.2008 Rs.	For the year Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.	
Land	—	168006	168,006	—	—	—	168,006	—	
Building	16,273,913	—	16,273,913	2,292,388	699,076	2,991,464	13,282,449	13,981,525	
Plant & Machinery	14,619,889	43,016,481	57,636,370	2,676,371	7,804,508	10,480,879	47,155,491	11,943,518	
Electrical equipment	1,565,359	31,000	1,596,359	625,054	139,231	764,285	832,074	940,305	
Office equipment	1,258,618	201,400	1,460,018	323,619	160,075	483,694	976,324	934,999	
Computers	2,494,034	136,150	2,630,184	1,359,491	497,461	1,856,952	773,232	1,134,543	
Furniture & fixtures	1,146,222	611,092	1,757,314	429,128	224,507	653,635	1,103,679	717,094	
Vehicles	5,170,655	319,422	5,490,077	2,192,211	844,302	3,036,513	2,453,564	2,978,444	
TOTAL	42,528,690	44,483,551	87,012,241	9,898,262	10,369,160	20,267,422	66,744,819	32,630,428	
Previous Year	27,600,458	14,928,232	42,528,690	6,594,545	3,303,717	9,898,262	32,630,428	—	

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 6 INVESTMENTS</b>		
(Long term, at cost and unquoted)		
39,996 equity shares of Rs.10 each fully paid up in Ambica Chennakesava Projects Limited	399960	399960
4,50,00,000 equity shares of Rs. 10 each fully paid up in subsidiary - Manjeera Retail holdings Private Limited	450000000	450000000
2,66,400 equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	2664000	2664000
3,72,960 Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	37296000	37296000
3,38,400 Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	33840000
	<b>524199960</b>	<b>524199960</b>
<b>SCHEDULE : 7 INVENTORIES</b>		
(At lower of cost or net realisable value as certified by the management)		
Apartment held for sale - Manjeera Heights Phase I Project	1592402	2440143
Property development projects (in progress) :		
Manjeera Heights - Phase II	109005936	90667034
Smart Homes Villas Bangalore	77097654	51309176
Plot No.34 (HUDA)	4325442	4325442
Smart Homes Apartments	3734701	3384579
Kukatpally Apartments	43871376	24418055
Kukatpally Apartments	273002206	173009030
Contract projects (in progress) :		
Manjeera Diamond Towers	533315	3523246
CGEWHO - Bubaneswar	—	54640525
Hyderashakote - ACPL	311427	
	<b>513474458</b>	<b>407717230</b>
<b>SCHEDULE : 8 SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months	30415290	1554531
Others	13259149	29256486
	<b>43674439</b>	<b>30811017</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE BALANCE SHEET

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	54116	949277
Balance with scheduled banks:		
In current account	2286003	4528338
In margin deposit	12839479	9858176
	<b>15179598</b>	<b>15335791</b>
<b>SCHEDULE : 10 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance - acquisition of land	8234000	8234000
Advances recoverable in cash or in kind or for value to be received	39793041	4359287
Advance - Windmill project	—	41894735
Inter corporate Deposit	—	12507924
Deposits	3134332	2655317
Advance Taxes and Tax Deducted at Source	34410686	19314760
	<b>85572058</b>	<b>88966023</b>
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	171484460	297259280
Advances - Joint venturers	8073380	22643380
Advance - reimbursable expenses	86453	20311173
Sundry creditors	69671855	33348941
Other liabilities	9660508	12641812
Mobilisation Advance	75650535	—
Interest accrued but not due	2251416	3898158
Book overdraft with scheduled bank in current account	—	409097
	<b>336878607</b>	<b>390511841</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	15010102	7505051
Dividend Tax	2550967	1275484
Fringe benefit tax	427930	197720
Income Tax	35024000	22546103
	<b>53012999</b>	<b>31524358</b>
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary expenses	760500	1014000
Amortised during the year	253500	253500
	<b>507000</b>	<b>760500</b>
Share Issue expenses	2371422	2964278
Amortised during the year	592856	592856
	<b>1778566</b>	<b>2371422</b>
	<b>2285566</b>	<b>3131922</b>

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART**  
**OF PROFIT AND LOSS ACCOUNT**

	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	965821	7766410
Rental Income	767659	767659
	<b>1733480</b>	<b>8534069</b>
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	1756185	10023362
Add:Transfer from Schedule 17	44880	1842884
	<b>1801065</b>	<b>11866246</b>
Manjeera Heights Phase II Project	73986558	14645438
Add:Transfer from Schedule 17	3825713	8719080
	<b>77812271</b>	<b>23364518</b>
Smart Homes Villas Project	1527433	6104162
Add:Transfer from Schedule 17	1903444	1710304
	<b>3430877</b>	<b>7814466</b>
Smart Home Apartments Project	1850410	
Add:Transfer from Schedule 17	60990	
	<b>1911400</b>	—
Total	<b>84955612</b>	<b>43045230</b>
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	258112242	170082885
Hometel project	—	35697332
Hydershakote project	40291884	11141916
Bhubhaneshwar Project	80313845	—
	<b>378717971</b>	<b>216922133</b>
<b>SCHEDULE: 17 ADMINISTRATIVE EXPENSES</b>		
Salaries and employee benefits	14215655	20948812
Director remuneration	4245000	2494000
Travel & conveyance	1972998	1592528
Vehicle maintenance	245678	101444
Repairs & maintenance	197386	492314
Printing & stationery	429350	664006
Postage and telephones	740888	1075071
Office maintenance	2713716	1365271
Property tax	223857	127918
Professional charges	2367669	2577288
Subscriptions & fees	347432	332279
Share expenses	1896124	451400
Tender expenses	—	160000



MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
Legal fee & expenses	543457	276202
Insurance	481661	320715
Audit fee	349814	235956
Advertisement	—	1414083
General expenses	1018560	349629
Miscellaneous expenditure written off	846356	846356
Donations	140000	611000
	<b>32975600</b>	<b>36436272</b>
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	44880	1842884
b) Manjeera Heights Phase II Project	3825713	8719080
c) Smart Homes Villas Project	1903444	1710304
d) Smart Homes Apartments Project	60990	—
Less: Transfer to Inventories - Projects		
a) SMART HOMES Villas	—	1429170
b) Kukatpally Apartments	2155660	13503
c) Plot No.34 (HUDA)	—	18537
d) CGEWHO - Bhubaneshwar	—	111048
e) Smart Homes Apartments	—	84300
	<b>24984914</b>	<b>22507446</b>
<b>SCHEDULE: 18 INTEREST &amp; FINANCIAL EXPENSES</b>		
Bank charges & commission	3135615	2081757
Processing fees	1681166	—
Interest - term loans	49352195	32580568
Interest - vehicle financiers	217398	241595
Interest - Inter corporate Deposits	7043371	1567793
Interest - others -	—	42165
Less: Transfer to Inventories	<b>61429745</b>	<b>36513878</b>
a) Manjeera Heights Phase II project	4247805	4,098,357
b) Smart Homes Villas project	3349707	3,365,872
c) CGEWHO - Bhubaneshwar project	—	648,804
d) Kukatpally - Residential	36302919	—
e) Smart Homes Apartments project	1742116	—
	<b>15787199</b>	<b>28400845</b>



MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE ACCOUNTS

**SCHEDULE: 19 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. Significant Accounting Policies**

1. Basis for preparation of financial statements:  
The financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in conformity with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis and provision is made for all known losses and liabilities.
2. Use of Accounting estimates  
Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.
3. Fixed assets  
Fixed assets are stated at cost of acquisition less accumulated depreciation thereon.
4. Depreciation:  
Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
5. Borrowing costs:
  - a) Borrowing costs specifically for the purpose of acquisition and construction of a qualifying asset, that are directly attributable to the qualifying asset, is capitalized as part of the cost of the asset.
  - b) Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred.
6. Impairment of Assets  
The carrying amount of assets, other than inventory is reviewed at each balance sheet date for any indication of impairment and if any, the recoverable amount of assets is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
7. Investments  
Long-term investments are stated and carried at cost less provision for permanent diminution, if any, in value of such investments.
8. Inventories  
Inventories are valued at lower of cost or net realisable value. Properties under development are valued at cost. Cost includes all direct development expenditure, borrowing cost and appropriate overheads.

## MANJEERA CONSTRUCTIONS LIMITED

### SCHEDULES FORMING PART OF THE ACCOUNTS

9. Miscellaneous expenditure  
Preliminary and Rights issue expenses are amortised over a period of five years.
10. Employee benefits
  - a) Contributions of Defined Contribution plans such as Provident fund, etc. are charged to the profit and loss account as incurred.
  - b) Termination benefits are recognised as and when incurred.
11. Revenue recognition
  - i) (a) On property development projects(own)  
Income from property development is recognized upon handing over possession of space/flats to the buyers i.e. property with all significant risks and rewards of ownership are transferred to the buyer and no effective control of the property is retained by the Company and no significant uncertainty exists regarding the consideration derived for such property and it is not unreasonable to expect ultimate collection.
  - (b) On development projects (Development basis)  
Income on development activity is recognised based on project completion method and on handing over developed property to the principals as per the terms of agreement.
  - (c) On construction contracts (undertaken as contractors)  
The Company follows percentage completion method for accounting of construction contracts undertaken.
  - ii) Rent Receipts are recognised on accrual basis.
  - iii) Interest on deployment of funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
  - iv) Property management services are recognised on rendering services and billing thereof.
  - v) Dividend income is accounted when the right to receive dividend is established.
12. Revenue receipts on joint venture contracts  
In work sharing joint venture agreements revenues, expenses, assets and liabilities are accounted in the Company's books to the extent work is executed by the Company.
13. Income tax
  - a) Current tax is determined as the amount of tax payable to the tax authorities in respect of taxable income for the year.
  - b) Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
14. Earning Per Share (EPS)  
In arriving at the EPS, the Company's net profit after tax, computed in terms of the GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF THE ACCOUNTS

net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date of issue of such potential shares determine the amount of the weighted average number potential equity shares.

15. Prior period items:  
Prior period items are included in the respective heads of account and material items are disclosed by way of notes to accounts.

### B. Notes on Accounts:

1. Contingent liabilities not provided for:  
a) Bank Guarantees Rs. 527.40 Lac (Previous year Rs.194.20 Lac)  
b) APGST payable (i) Rs.3,45,181 for the financial year 2000-01 and (ii) Rs.22,13,846 for the financial year 2004-05 pending appeal with Appellate Dy. Commissioner (CT), Hyderabad.
2. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable:
- i) Inventories (Apartments):

	Current year			Previous year		
	Sq.ft.	Nos.	Value (Rs.)	Sft.	Nos.	Value (Rs.)
Opening Stock	2801	2	24,40,143	18120	13	80,77,818
Additions made	—	—	9,08,444	—	—	43,85,686
Cost of sales	1469	1	17,56,185	15319	11	1,00,23,361
Closing Stock	1332	1	15,92,402	2801	2	24,40,143

3. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 (revised 2002) issued by the Institute of Chartered Accountants of India for 'Construction Contracts', the amounts considered in the financial statements up to the balance sheet date are as follows.

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Contract revenue recognized during the year	54,20,71,857	28,60,01,351
Contract costs incurred and recognized profits	41,36,51,585	22,59,08,121
Advances received, net of recoveries from progressive bills	2,49,30,000	11,33,85,475
Gross amount due from customers from contract works	1,18,93,368	99,69,519.64
Gross amounts due to customers for contract work	Nil	Nil

4. i) Provision for taxation made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961 includes Rs.1,40,24,000 for the current period.

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF THE ACCOUNTS

- ii) Income tax Assessments have been completed upto the Assessment year 2006-07.
  - iii) Profit before tax includes Rs. 6,58,97,390 deductible under section 80-IB of Income Tax Act, 1961 from the Gross total income of the Company for the year under consideration related to Manjeera Heights Phase I project Rs. 19,82,935 and Manjeera Heights Phase II project Rs. 6,39,14,455.
5. As of 31st March, 2009, the Company had no outstanding dues to small and medium enterprises as per the records available.
  6. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director - Salary Rs. 42,00,000 and other directors Rs. 45,000 (previous year Rs. 24,94,000)
  7. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement.: Nil (Previous Year: Rs. 1,25,07,924: Maximum O/s : Rs. 1,25,07,924)
  8. Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India:
    - A) Related parties and relationship:
      - i) Key management personnel  
G Yoganand, Managing Director  
G Shivaleelanand, Director  
K Krishna Murthy, Director  
D L S Sreshti, Director
      - ii) Enterprises in which key Management personnel have significant influence:  
Manjeera Hotels & Resorts Limited  
Manjeera Estates Private Limited  
Manjeera Projects  
GM Infra Ventures Private Limited
      - iii) Subsidiary Company: Manjeera Retail Holdings Private Limited
      - iv) Associates:  
Ashraya Hotels & Estates Private Limited  
Ambica Chennakesava Projects Limited
      - v) Joint venture: Bharathi Infraprojects Private Limited

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS**

B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2009.

Nature of Transaction	Key Management Personnel (Previous year)	Enterprises in which key Mgt.personnel have significant influence (Previous year)	Subsidiary Company (Previous year)	Associates (Previous year)	Joint Ventures (Previous year)
Directors Remuneration	42,45,000 (24,75,575)				
Professional Fee	22,66,020 (46,10,468)				
Manangement Fee			2,00,00,000 (5,00,00,000)		
Inter Corporate Deposits received		1,50,00,000 (70,99,525)			
Interest on Inter Corporate Deposits		42,35,700 (50,88,764)			
ICD given		Nil (1,25,07,924)			
Interest on Debentures		Nil (70,88,375)			
Interest on ICD Given		Nil (1,59,028)			
Rent Received			7,67,659 (7,67,659)		
Contract Receipts		30,64,90,833 (21,72,14,511)		4,30,62,866 (5,73,74,540)	
Investment in Equity shares		Nil (26,64,000)	Nil (15,00,00,000)		
Investment in Debentures		Nil (7,11,36,000)			
Sundry Debtors		16,94,756 (Nil)		1,01,98,611 (99,69,519)	
Other Liabilities		Nil (1,077)			
Reimbursement of expenses			Rs. 33,13,539 (7,24,50,484)		
Outstanding Balance			Rs. 2,17,42,873 (11,25,18,827)		
Advances from Customers		9,00,00,000 (1,88,85,475)	Nil (9,45,00,000)		
Investments received from Joint ventures					80,73,380 (81,93,380)
Other Advances		1,50,40,899 (Nil)			

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF THE ACCOUNTS

Related parties relationship as stated above are identified by the Company as required under Accounting Standard and relied by the Auditors.

9. As per Accounting Standard 22 on "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, the Company has accounted Deferred tax liability of Rs.96,28,141 as on 31.03.2009 on accounting of timing difference of depreciation. For the period under consideration Rs. 84,74,405 has been added on account of such depreciation in Profit and Loss account.

10. Auditors remuneration (Rs.)

Statutory Audit Fee	1,65,450
Certification Fee	1,29,214
Tax Audit Fee	55,150
Total	3,49,814

11. As the Company's operations predominantly consists of single segment viz., construction and related activities, the disclosure requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

12. Earnings per Share (EPS)

	Year ended 31.03.2009	Year ended 31.03.2008
Profit attributed to Equity shareholders	Rs. 10,10,65,087	Rs. 5,31,80,197
No of Equity shares (of Rs. 10 each including Rights shares of 75,05,043)	12508418	12508418
Earnings per share (Basic & diluted)	Rs. 8.08	Rs. 6.40

13. Figures have been rounded off to the nearest rupee.

14. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with that of current year presentation.

- 15 Schedules one to nineteen form part of accounts.

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 30.06.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 51961

MANJEERA CONSTRUCTIONS LIMITED  
CASH FLOW STATEMENT FOR  
THE YEAR ENDED 31st MARCH, 2009

	YARE ENDED 31.03.2009 RS.		YEAR ENDED 31.03.2008 RS.	
<b>A. Cash flows from operating activities</b>				
Net Profit before taxation		123593602		74804898
Adjustments for :				
Depreciation	10369160		3303717	
Misc. expenditure amortised	846356		846356	
Interest income	(965821)		(7766410)	
Interest expense	56612964		34432121	
		66862659		30815784
Operating Profit before working capital changes		190456261		105620682
Adjustments for changes in working capital :				
increase in Inventories	(105757229)		(261533044)	
increase in Trade receivables	(12863422)		(14636277)	
Decrease in other receivables	18489891		(3974273)	
Decrease in Advance from customers	(160569540)		153244670	
Increase in Trade payable	37598398		21974737	
Increase in other liabilities	72669231	(150432671)	(65276139)	(170200326)
Cash generated from operations		40023590		(64579644)
Direct taxes paid (Net)		17717414		(3197726)
Net cash used for operating activities (A)		22306176		(67777370)
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets		(44483551)		(14928232)
Windmill Project		—		(41894735)
Investment in shares of Subsidiary		—		(150000000)
Investment in shares of Limited Companies				(73800000)
Misc. expenditure incurred		—		(1370609)
Advances received - Joint Ventures		—		15040000
Interest received		965821		7766409
Net cash used in investing activities (B)		(43517730)		(259187167)
<b>C. Cash flow from financing activities</b>				
Rights Issue		—		75050430
Rights Issue-Share Premium		—		150100860
Term Loan Receipts		27922260		292908433



**MANJEERA CONSTRUCTIONS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009**

	AS AT 31.03.2009 RS.		AS AT 31.03.2008 RS.	
Unsecured loan receipts (Net)		46682023		294424
Inter corporate deposits received		13900415		(128348116)
Inter corporate deposits extended		—		(12507924)
Dividend paid		(8780535)		(9006075)
Interest Paid		(58259706)		(30542818)
Net cash from financing activities (C)		21464458		337949214
Net increase in cash and cash equivalents (A+B+C)		252904		10984677
Cash and cash equivalents at beginning of year		14926694		4351113
Cash and cash equivalents at end of year		15179598		14926694

Notes :

1. The cash flows from operating activities has been prepared under Indirect method as per AS-3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents represent cash and bank balances(net).
3. Figures under brackets represent cash outflows.

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 30.06.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No. : 51961

**MANJEERA CONSTRUCTIONS LIMITED  
BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE**

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

**I. Registration Details:**

Registration No : 72280 F 1986-87  
State Code : 01  
Balance Sheet Date : 31.03.2009

**II. Capital raised during the year: (Amount in Rs.Thousands)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilization and deployment of funds: (Amount in Rs.Thousands)**

<b>Total Liabilities</b>		<b>Total Assets</b>	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	125084	1. Net Fixed Assets	66745
2. Reserves & Surplus	325014	2. Investments	524200
3. Deferred tax liability	9628	3. Net Current Assets	268008
4. Secured Loans	331648	4. Misc. Expenditure	2285
5. Unsecured Loans	69864		
<b>TOTAL</b>	<b>861238</b>	<b>TOTAL</b>	<b>861238</b>

**IV. Performance of Company (Amount in Rs.Thousands)**

Turnover	638408	Profit after Tax	101065
Total Expenditure	488658	Earnings per share (Rs.)	8.08
Profit before tax	123594		

**V. Generic names of the Three Principal products of the Company**

(Code: 72200)

1. Sale of Flats/ Plots
2. Sale of Space
3. Contract receipts

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 30.06.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 51961

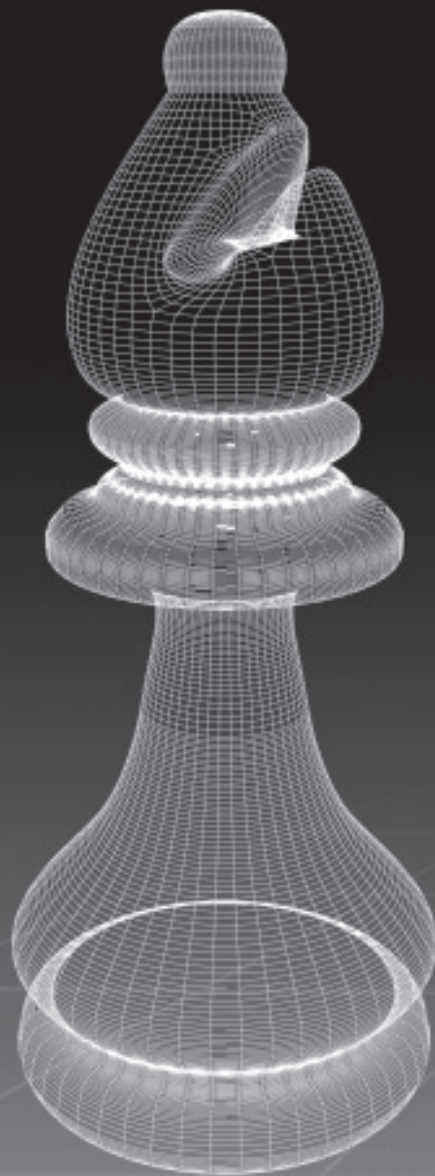
## STATEMENT PURSUANT TO SECTION - 212 OF THE COMPANIES ACT , 1956 RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary Company	Manjeera Retail Holdings Private Limited
1. Financial Year Ending of the Subsidiary	31/03/2009
2. Shares of the Subsidiary held by Manjeera Constructions Limited on the above date:	
a. Number and Face Value	4,50,00,000 Equity Shares of Rs.10/- Each.
b. Extent of Holding	51%
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of Manjeera Constructions Ltd.	
a. dealt with in the accounts of the Company for the year ended 31st March, 2009	Nil
b. not dealt with in the accounts of the Company for the year ended 31st March, 2009	(Rs.19,79,314)
4. Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
(a) dealt with in the accounts of the Company for the year ended 31st March, 2009.	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March, 2009	(Rs. 52,39,070)

Sd/-  
(G YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(T DEEPTHI)  
Company Secretary



*MOVE: Any number of spaces on the diagonals. A Bishop cannot change the colour of the spaces it occupies.*

"Strategy requires thought,  
tactics require observation."

Max Euwe



## AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS MANJEERA CONSTRUCTIONS LIMITED

1. We have audited the attached Consolidated Balance Sheet of MANJEERA CONSTRUCTIONS LIMITED and its subsidiary MANJEERA RETAIL HOLDINGS PRIVATE LIMITED as at 31st March, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto in which is incorporated the financial statement of subsidiary audited by another auditor. These Consolidated financial statements are the responsibility of the MANJEERA CONSTRUCTIONS LIMITED's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding subsidiary. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21, Consolidated Financial Statements, issued by the Institute of the Chartered Accountants of India and on the basis of the separate audited financial statements of Manjeera Constructions Limited and its subsidiary included in the consolidated financial statements.

The financial statements and other financial information of the subsidiary have been audited by other auditor whose report has been furnished to us and our opinion is solely based on the report of the other auditor.

4. On the basis of information and explanations given to us and in our opinion, the consolidated financial statements read together with the schedules and other notes thereon, give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i. In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Manjeera Constructions Limited and its subsidiary as at 31st March, 2009;

- ii. In the case of the Consolidated Profit and Loss Account of the Consolidated results of operation of Manjeera Constructions Limited and its subsidiary for the year ended on that date;and
  - iii. In the case of the Consolidated Cash Flow Statement of the consolidated cash flows of Manjeera Constructions Limited and its subsidiary for the year ended on that date.
- 

for A.K.Sabat & Co.,  
Chartered Accountants

Place :Hyderabad  
Date :28-08-2009

Sd/-  
(D.VIJAYA KUMAR)  
PARTNER  
Membership No: 51961

MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED BALANCE SHEET  
AS AT 31ST MARCH, 2009

	SCH	AS AT 31.03.2009 RS.		AS AT 31.03.2008 RS.	
<b>SOURCES OF FUNDS</b>					
1 Shareholders funds					
a. Share capital	1	125084180		125084180	
b. Reserves and surplus	2	244694078	369778258	186482913	311567093
2 Loan funds					
a. Secured loans	3	962693273		849675745	
b. Unsecured loans	4	437511620	1400204893	376929182	1226604927
3 Minority Interest			432352940		432352940
4 Deferred tax liability			9628142		1153737
<b>TOTAL</b>			<b>2211964233</b>		<b>1971678697</b>
<b>APPLICATION OF FUNDS</b>					
1 Fixed assets	5				
a) Gross block		88548069		42840045	
b) Less: Depreciation		20674568		9981774	
c) Net block			67873501		328582712
2 Investments	6		74199960		74199960
3 Current assets, loans and advances (A)					
a) Inventories	7	2367520113		2006909638	
b) Sundry debtors	8	43674439		30811017	
c) Cash and bank balances	9	68027168		110516968	
d) Loans and advances	10	94432981		92313788	
		2573654701		2240551411	
Less : Current liabilities and provisions (B)					
a) Current liabilities	11	452832216		347490455	
b) Provisions	12	53217278		31572412	
		506049495		379062867	
Net current assets (A)-(B)			2067605206		1861488544
4 Miscellaneous expenditure (to the extent not written off or adjusted)	13		2285566		3131922
<b>TOTAL</b>			<b>2211964233</b>		<b>1971678697</b>
<b>Accounting policies and Notes on Accounts</b>	<b>19</b>				

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 28.08.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:51961



MANJEERA CONSTRUCTIONS LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2009

	SCH	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>INCOME</b>			
Sale of space			
- Manjeera Heights project		145629395	47514749
- Smart Homes (Villas) Project		2173200	8346400
- Smart Homes Apartments project		2294150	--
Contract receipts		461475612	274589052
Energy sales		5102621	--
Miscellaneous income	14	965821	7766410
		<b>617640799</b>	<b>338216611</b>
<b>EXPENDITURE</b>			
Cost of apartments sold	15	84955612	43045230
Contract expenses	16	378717970	216922133
Administrative expenses	17	29130000	25620969
		<b>492803583</b>	<b>285588331</b>
<b>PROFIT</b>			
Profit before interest, Depreciation & Tax		124837216	52628280
Interest & Financial expenses	18	15823690	28445497
Profit before Depreciation & Tax		109013527	24182783
Depreciation		10692794	3373729
Profit before taxation		98320733	20809054
Provision for taxation		14074094	21411592
Provision for Deferred tax liabilities for the year		8474405	244679
Profit after tax		75772234	-847217
Profit brought forward		20746010	35300951
Profit for appropriation		96518244	34453734
<b>APPROPRIATION</b>			
General Reserve		3000000	1500000
Proposed Dividend		15010102	10507078
Income tax on Proposed Dividend		2550967	1700646
Balance transferred to Reserves & Surplus		75957175	20746010
Earnings per share - (basic & diluted) Rs.		6.06	-0.10
<b>Accounting policies and Notes on Accounts</b>	<b>19</b>		

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 28.08.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G.SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHLT)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.: 51961

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART**  
**OF THE CONSOLIDATED BALANCE SHEET**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 1 SHARE CAPITAL</b>		
Authorised :		
2,50,00,000 Nos. equity shares of Rs.10 each.	250000000	250000000
Issued,subscribed & paid up:		
1,25,08,418 (1,25,08,418) Nos. equity shares of Rs.10 each fully paid up.	<b>125084180</b>	<b>125084180</b>
(Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves in earlier year and Rs.75,05,043 No's right shares issued during previous year)		
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	18636042	15636042
Profit and Loss Account	75957176	20746011
Share premium	150100860	150100860
	<b>244694078</b>	<b>186482913</b>
<b>SCHEDULE : 3 SECURED LOANS</b>		
Term Loan :		
Housing Development Finance Corporation Limited (Secured by deposit of the title deed of office premises at Aditya Trade Centre, Ameerpet )	17596468	22329335
Housing and Urban Development Corporation Limited (Secured by equitable mortgage of land under Chitra Layout, Saroor Nagar, Hyderabad along with construction to be made thereon with first charge on all revenues receivable and immovable property present and future pertaining to the project)	32181444	25236410
ICICI Bank Limited (Secured by the assets of the Smart Homes project)	12000000	14660000
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanally project )	47475170	150000000
Tata Capital Limited (Secured by the Wind Turbine Generator)	27925275	31500000
Tata Capital Limited (Secured by the non standard equipment)	12765234	10000000
Andhra Pradesh State Financial Corporation., (Secured by collateral security amounting to Rs.625 lac provided by way of urban immovable properties)	46000000	50000000
Term Loan from Housing and Urban Development Corporation Ltd (Refer Note 1)	500111248	500200000
Short term Loans from banks (Secured by way of pledge of fixed deposits held with the banks)	--	45750000

## MANJEERA CONSTRUCTIONS LIMITED

### SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
Term Loan from Bank of Baroda (Refer Note 1)	40000000	--
Term Loan from Indian Bank (Refer Note 1)	40000000	--
Term Loan from Oriental Bank of Commerce (Refer Note 1)	50000000	--
Canara Bank Limited (Secured by equitable mortgage of development rights of the company over 1.23 acres of land at Plot S-2, Sy-No.1050 located at Kukatpally, Hyderabad alongwith proposed residential buildings with build up area of 402000 sq.ft including car parking space of 93924sq.ft)	66693238	--
ICICI Bank Limited (Secured by hypothecation of the scheduled receivables and account assets and by way of exclusive charge)	14962433	--
Yes Bank Limited - working capital demand loan (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project)	50000000	--
Interest accrued & due	4982763	-
	<b>962693273</b>	<b>849675745</b>
<b>Notes:</b>		
1. Term Loans are secured by a pari passu charge on		
(a) project immovable properties by way of deposit of mortgage by deposit of title deeds,		
(b) assignement of rights of the land and project documents, insurance policies relating to the project		
(c) Personal Guarantee of promoter director Mr. G Yoganand and corporate guarantee of Manjeera Constructions Limited		
(d) pledge of shares of entire shareholding of Manjeera Constructions Limited in subsidiary Manjeera Retail Holdings Pvt Ltd.,		
(e) assignemnt of Escrow account and charges on receivables		
<b>SCHEDULE : 4 UNSECURED LOANS</b>		
Vehicle financiers	1789278	2182597
Intercorporate deposits	21000000	7099585
India Bulls Financial Services Limited -Loan against property 3,67,647 (Previous Year :2,45,098) 14% Investor Cumulative mandatorily Debentures of Rs. 1000 each.	47075342	--
	367647000	367647000
	<b>437511620</b>	<b>376929182</b>
(Amount repayable within one year Rs. 2,37,45,031 - previous year: Rs. 78,52,375)		

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED BALANCE SHEET

**SCHEDULE 5: FIXED ASSETS**

ASSET	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 31.03.2008 Rs.	Additions Rs.	As at 31.03.2009 Rs.	Upto 01.04.2008 Rs.	For the year Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Land	--	168006	168,006	--	--	--	168,006	--
Building	16,273,913	--	16,273,913	2,292,388	699,076	2,991,464	13,282,449	13,981,525
Plant & Machinery	14,687,149	43,033,691	57,720,840	2,682,418	7,814,537	10,496,955	47,223,885	12,004,731
Electrical equipment	1,565,359	73,638	1,638,997	625,054	145,608	770,662	868,335	940,305
Office equipment	1,289,268	336,100	1,625,368	325,245	176,665	501,910	1,123,458	964,023
Computers	2,690,134	334,200	3,024,334	1,417,993	622,033	2,040,026	984,308	1,272,141
Furniture & fixtures	1,163,567	760,247	1,923,814	446,465	240,935	687,400	1,236,414	717,102
Vehicles	5,170,655	1,002,142	6,172,797	2,192,211	993,940	3,186,151	2,986,646	2,978,444
TOTAL	42,840,045	45,708,024	88,548,069	9,981,774	10,692,794	20,674,568	67,873,501	32,858,271
Previous Year	27,645,458	15,194,587	42,840,045	6,608,045	3,373,729	9,981,774	32,858,271	--

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 6 INVESTMENTS</b> (Long term, at cost and unquoted)		
39,996 equity shares of Rs.10 each fully paid up in Ambica Chennakesava Projects Limited	399960	399960
2,66,400 equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	2664000	2664000
3,72,960 Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	37296000	37296000
3,38,400 Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	33840000
	<b>74199960</b>	<b>74199960</b>
<b>SCHEDULE : 7 INVENTORIES</b> (At lower of cost or net realisable value as certified by the management)		
Apartment held for sale - Manjeera Heights Phase I Project	1592402	2440143
Property development projects (in progress) :		
Manjeera Heights - Phase II	109005936	90667034
Smart Homes (Villas)	77097654	51309176
Bangalore	4325442	4325442
Plot No.34 (HUDA)	3734701	3384579
Smart Homes Apartments	43871376	24418055
Kukatpally Apartments (S2 B)	273002206	173009030
Kukatpally Residential, Commercial Complexes & Multiplexes	1854045653	1599192408
Contract projects work in progress :		
Manjeera Diamond Towers	533315	3523246
CGEWHO - Bhubaneshwar	--	54640525
Hyderashakote - ACPL	311427	--
	<b>2367520113</b>	<b>2006909638</b>
<b>SCHEDULE : 8 SUNDRY DEBTORS</b> (Unsecured and considered good)		
Outstanding for a period exceeding six months	30415290	1554531
Others	13259149	29256486
	<b>43674439</b>	<b>30811017</b>

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	54116	949277
Balance with scheduled banks:		
In current account	30733573	5710869
In margin deposit	37239479	103856822
	<b>68027168</b>	<b>110516968</b>
<b>SCHEDULE :10 LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advance - acquisition of land	8234000	8234000
Advances recoverable in cash or in kind or for value to be received	43847574	4317406
Advance - Windmill project	--	41894735
Inter corporate Deposit	--	12507924
Deposits	3688676	2655317
Advance Taxes and Tax Deducted at Source	36233367	20410995
Interest accrued on deposits	2429364	2293411
	<b>94432981</b>	<b>92313788</b>
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	179744459	202759280
Advances - Joint venturers	8073380	22643380
Sundry creditors	61095422	57587697
Other liabilities	20948575	13549503
Mobilisation Advance	75650535	--
Interest accrued but not due	107319845	50541498
Book overdraft with scheduled bank in current account	--	409097
	<b>452832216</b>	<b>347490455</b>
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	15010102	7505051
Dividend Tax	2550967	1275484
Fringe benefit tax	433136	227252
Employee benefits	199073	--
Income Tax	35024000	22564625
	<b>53217278</b>	<b>31572412</b>
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
Preliminary expenses	760500	4115523
Amortised during the year	253500	3355023
	<b>507000</b>	<b>760500</b>
Share Issue expenses	2371422	2964278
Amortised during the year	592856	592856
	<b>1778566</b>	<b>2371422</b>
	<b>2285566</b>	<b>3131922</b>

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART OF  
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	965821	7766410
	<b>965821</b>	<b>7766410</b>
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	1756185	10023362
Add: Transfer from Schedule 17	44880	1842884
	<b>1801065</b>	<b>11866246</b>
Manjeera Heights Phase II Project	73986558	14645438
Add: Transfer from Schedule 17	3825713	8719080
	<b>77812271</b>	<b>23364518</b>
Smart Homes (Villas) Project	1527433	6104162
Add: Transfer from Schedule 17	1903444	1710304
	<b>3430877</b>	<b>7814466</b>
Smart Home Apartments Project	1850410	--
Add: Transfer from Schedule 17	60990	--
	<b>1911400</b>	<b>--</b>
Total	<b>84955612</b>	<b>43045230</b>
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	258112242	170082885
Hometel project	--	35697332
Hydershakote project	40291883	11141916
Bhubhaneshwar Project	80313845	--
	<b>378717970</b>	<b>216922133</b>
<b>SCHEDULE: 17 ADMINISTRATIVE EXPENSES</b>		
Salaries and employee benefits	16361626	20948812
Director remuneration	4254000	2506000
Travel & conveyance	1972998	1592528
Vehicle maintenance	245678	101444
Repairs & maintenance	235559	492314
Printing & stationery	429350	664006
Postage and telephones	912949	1075071
Office maintenance	3243277	1365271
Rent	38400	--
Property tax	223857	127918
Professional charges	2367669	2577288
Subscriptions & fees	347432	332279
Share expenses	1896124	451400

MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART  
OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
Tender expense	--	160000
Legal fee & expenses	543457	276202
Insurance	481661	320715
Audit fee	349814	235956
Advertisement	842654	1414083
General expenses	1387826	349629
Miscellaneous expenditure written off	846356	3947879
Donations	140000	611000
	<b>37120686</b>	<b>39549795</b>
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	44880	1842884
b) Manjeera Heights Phase II Project	3825713	8719080
c) Smart Homes (Villas) Project	1903444	1710304
d) Smart Homes Apartments Project	60990	--
Less: Transfer to Inventories - Projects		
a) SMART HOMES (Villas)	--	1429170
b) Kukatpally Apartments	2155660	13503
c) Plot No.34 (HUDA)	--	18537
d) CGEWHO - Bhubaneshwar	--	111048
e) Smart Homes Apartments	--	84300
	<b>29130000</b>	<b>25620969</b>
<b>SCHEDULE: 18 INTEREST &amp; FINANCIAL EXPENSES</b>		
Bank charges & commission	3172106	2126409
Processing fees	1681166	--
Interest - term loans	49352195	32580568
Interest - vehicle financiers	217398	241595
Interest - Inter corporate Deposits	7043371	1567793
Interest - others	--	42165
Less: Transfer to Inventories	<b>61466236</b>	<b>36558530</b>
a) Manjeera Heights Phase II project	4247805	4,098,357
b) Smart Homes (Villas) project	3349707	3,365,872
c) CGEWHO - Bhubaneshwar project	--	648,804
d) Kukatpally - Residential	36302919	--
e) Smart Homes Apartments project	1742116	--
	<b>15823690</b>	<b>28445497</b>





**MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULES FORMING PART OF  
CONSOLIDATED ACCOUNTS**

**SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE CONSOLIDATED  
BALANCE SHEET AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST  
MARCH, 2009.**

**A. Significant Accounting Policies:**

1. Basis for preparation of consolidated financial statements:

The Consolidated financial statements have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in conformity with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956 as consistently adopted. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis and provision is made for all known losses and liabilities.

The consolidated financial accounts relate to Manjeera Constructions Limited and its subsidiary Company Manjeera Retail Holdings Private Limited. The consolidated financial statements have been prepared on the following basis.

The financial statements of the subsidiary Company have been consolidated on line-by line basis by adding together the book values of like items of assets and liabilities, income and expenses as per Accounting Standard 21 – Consolidated Financial Statements.

2. Use of Accounting estimates

Preparation of Consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.

3. Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation thereon.

4. Depreciation:

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. Borrowing costs:

- a) Borrowing costs specifically for the purpose of acquisition and construction of a qualifying asset, that are directly attributable to the qualifying asset, is capitalized as part of the cost of the asset.
- b) Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred

## MANJEERA CONSTRUCTIONS LIMITED

### SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

6. Impairment of Assets  
The carrying amount of assets, other than inventory is reviewed at each balance sheet date for any indication of impairment and if any, the recoverable amount of assets is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount
7. Investments  
Long-term investments are stated and carried at cost less provision for permanent diminution, if any, in value of such investments.
8. Inventories:  
Inventories are valued at lower of cost or net realisable value. Properties under development are valued at cost. Cost includes all direct development expenditure, borrowing cost and appropriate overheads. Cost of inventory includes all external development charges incurred for the project including cost of land development rights.
9. Miscellaneous expenditure  
Preliminary and Rights issue expenses are amortised over a period of five years.
10. Employee benefits
  - a) Contributions of Defined Contribution plans such as Provident fund, etc. are charged to the profit and loss account as incurred.
  - b) Termination benefits are recognised as and when incurred.
11. Revenue recognition
  - i)
    - (a) On property development projects(own)  
Income from property development is recognized upon handing over possession of space/flats to the buyers i.e. property with all significant risks and rewards of ownership are transferred to the buyer and no effective control of the property is retained and no significant uncertainty exists regarding the consideration derived for such property and it is not unreasonable to expect ultimate collection.
    - (b) On development projects (Development basis)  
Income on development activity is recognised based on project completion method and on handing over developed property to the principals as per the terms of agreement.
    - (c) On construction contracts (undertaken as contractors)  
Percentage completion method followed for accounting of construction contracts undertaken.
  - ii) Rent Receipts are recognised on accrual basis.
  - iii) Interest on deployment of funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
  - iv) Property management services are recognised on rendering services and billing thereof.
  - v) Dividend income is accounted when the right to receive dividend is established.

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

12. Revenue receipts on joint venture contracts:  
In work sharing joint venture agreements revenues, expenses, assets and liabilities are accounted to the extent work is executed.
13. Income tax
  - a) Current tax is determined as the amount of tax payable to the tax authorities in respect of taxable income for the year.
  - b) Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
14. Earning Per Share (EPS)  
In arriving at the EPS, net profit after tax, computed in terms of the GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number of potential equity shares.
15. Prior period items:  
Prior period items are included in the respective heads of account and material items are disclosed by way of notes to accounts.
16. Foreign currency transactions:
  - a) Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account for the year.
  - b) Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date; the resultant exchange differences are recognized in the profit and loss account.

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

### B. Notes on the Accounts:

1. Contingent liabilities not provided for:
  - a) Holding Company:
    - i) Bank Guarantees Rs.527.40 Lac (Previous year Rs.194.20 Lac)
    - ii) APGST payable (i) Rs.3,45,181 for the financial year 2000-01 and (ii) Rs.22,13,846 for the financial year 2004-05 pending appeal with Appellate Dy.Commissioner (CT), Hyderabad.
  - b) Subsidiary Company: Bank Guarantees issued by banks Rs.24,33,76,820 (Previous Year : Rs.24,33,76,820)
  
2. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable:

Inventories (Apartments):

	Current year			Previous year		
	Sq.ft.	Nos.	Value (Rs.)	Sft.	Nos.	Value (Rs.)
Opening Stock	2801	2	24,40,143	18120	13	80,77,818
Additions made	--	--	9,08,444	--	--	43,85,686
Cost of sales	1469	1	17,56,185	15319	11	1,00,23,361
Closing Stock	1332	1	15,92,402	2801	2	24,40,143

3. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 (revised 2002) issued by the Institute of Chartered Accountants of India for 'Construction Contracts', the amounts considered in the financial statements up to the balance sheet date are as follows.

	31.03.2009 Rs.	31.03.2008 Rs.
Contract revenue recognized during the year	54,20,71,857	28,60,01,351
Contract costs incurred and recognized profits	41,36,51,585	22,59,08,121
Advances received, net of recoveries from progressive bills	2,49,30,0000	11,33,85,475
Gross amount due from customers from contract works	1,18,93,368	99,69,519.64
Gross amounts due to customers for contract work	Nil	Nil

4.
  - i) Provision for taxation made under the liability method after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961 includes Rs.1,40,24,000 for the current period.
  - ii) Income tax Assessments have been completed upto the Assessment year 2006-07.

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

- iii) Profit before tax includes Rs.6,58,97,390 deductible under section 80-IB of Income Tax Act,1961 from the Gross total income of the Company for the year under consideration related to Manjeera Heights Phase I project Rs.19,82,935 and Manjeera Heights Phase II project Rs.6,39,14,455.
5. As of 31st March, 2009, there are no outstanding dues to small scale industrial undertakings as per the records available.
6. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director - Salary Rs.42,00,000 and other directors Rs.45,000 (previous year Rs.24,94,000)
7. Considered construction and related activities as one business segment for disclosure in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
8. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement.: Nil (Previous Year: Rs.1,25,07,924; Maximum O/s :1,25,07,924)
9. The Subsidiary company leases office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases is Rs.1,052,195 (previous year: Rs.767,659) and non-cancellable portion is Rs.84,000 (previous year: Rs. Nil).

The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows:

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
Due within one year	168,000	—
Due later than one year and not later than five years	184,800	—
Due after five years	—	—
<b>Total</b>	<b>352,800</b>	—

10. Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India:
- A) Related parties and relationship:
- i) Key management personnel
- G Yoganand, Managing Director  
G Shiva Leelanand, Director  
K Krishna Murthy, Director  
D.L.S. Sreshti, Director  
Srikanth Koganti, Director  
Mahesh Gandhi, Director  
D. Kiran Kumar, Director  
P. Sobhanadri, Director  
Anuj Agarwal, Alternate Director

**MANJEERA CONSTRUCTIONS LIMITED**  
**SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS**

- ii) Enterprises in which key Management personnel have significant influence:  
 Manjeera Hotels & Resorts Limited  
 Manjeera Estates Private Limited  
 Manjeera Projects  
 GM Infra Ventures Private Limited  
 Trinity Capital (Six) Limited
- iii) Associates:  
 Ashraya Hotels & Estates Private Limited  
 Ambica Chennakesava Projects Limited
- iv) Joint venture: Bharathi Infraprojects Private Limited
- B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2009.

Nature of Transaction	Key Management Personnel (Previous year) Rs.	Enterprises in which key Mgt.personnel have significant influence (Previous year) Rs.	Associates (Previous year) Rs	Joint Ventures (Previous year) Rs.
Directors Remuneration	42,45,000 (24,75,575)			
Professional Fee	22,66,020 (46,10,468)			
Sitting Fees	9,000 (12,000)			
Issue of Equity shares		Nil (14,41,17,650)		
Issue of Debentures		Nil (12,25,49,000)		
Debentures Outstanding		36,76,47,000 (36,76,47,000)		
Interest payable on Debentures		5,72,08,437 (3,89,01,726)		
Interest receivable on Debentures		Nil (70,88,375)		
Interest payable on Debentures (Outstanding)		9,82,72,397 (4,10,63,960)		
Interest receivable on Debentures (Outstanding)		70,88,375 (70,88,375)		
Inter Corporate Deposits received		1,50,00,000 (70,99,525)		
Interest on Inter Corporate Deposits		42,35,700 (50,88,764)		

## MANJEERA CONSTRUCTIONS LIMITED

### SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

ICD given		Nil (1,25,07,924)		
Interest on ICD Given		Nil (1,59,028)		
Contract Receipts		30,64,90,833 (21,72,14,511)	4,30,62,866 (5,73,74,540)	
Investment in Equity shares		Nil (26,64,000)		
Investment in Debentures		Nil (7,11,36,000)		
Sundry Debtors		16,94,756 (Nil)	1,01,98,611 (99,69,519)	
Other Liabilities		Nil (1,077)		
Advances from Customers		9,00,00,000 (1,88,85,475)		
Investments received from Joint ventures				80,73,380 (81,93,380)
Other Advances		1,50,40,899 (Nil)		

Related parties relationship as stated above are identified by the Company as required under Accounting Standard and relied by the Auditors.

11. No interest has been paid to the micro, small and medium enterprises.

	For the year ended 31 March 2009	For the year ended 31 March 2008
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year is as follows:		
- Principal amount payable to suppliers as at the year-end	4,568,647	--
- Interest accrued on the above amount as at the year-end	--	--

12. As per Accounting Standard 22 on "Accounting for Taxes on income" issued by the Institute of Chartered Accountants of India, the Company has accounted Deferred tax liability of Rs.96,28,141 as on 31.03.2009 on accounting of timing difference of depreciation. For the period under consideration Rs. 84,74,405 has added on account of such depreciation in Profit and Loss account.

## MANJEERA CONSTRUCTIONS LIMITED SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

13. Auditors remuneration (Rs.)

a) Holding Company:

Statutory Audit Fee	1,65,450
Certification Fee	1,29,214
Tax Audit Fee	55,150
<b>Total</b>	<b>3,49,814</b>

b) Subsidiary Company: Statutory Audit Fee - 4,50,000 (Previous Year : 6,00,000)

14. As the Holdings company's operations predominantly consists of single segment viz., construction and related activities and similarly that of the subsidiary company. The disclosure requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

15. Earnings per Share (EPS)	Year ended 31.03.2009	Year ended 31.03.2008
Profit/ (Loss) for the year attributable to equity share holders	Rs. 7,57,72,234	Rs. (8,47,218)
No. of Equity shares (of Rs. 10 each including Rights shares of 75,05,043)	12508418	12508418
Earnings per share (Basic & diluted) – (Negative)	Rs. 6.06	Rs. (0.10)

16. The Subsidiary company during the year incurred an amount of Rs. 1,34,97,945 in foreign currency on account of Consultancy expenses.

17. Figures have been rounded off to the nearest rupee.

18. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with that of current year presentation.

19. Schedules one to nineteen form part of accounts.

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD Date : 28.08.2009	Sd/- (G.YOGANAND) Managing Director	Sd/- (G. SHIVA LEELANAND) Director	Sd/- (DEEPTHI.T) Company Secretary	Sd/- (D.VIJAYA KUMAR) Partner Membership No.: 51961
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MANJEERA CONSTRUCTIONS LIMITED  
 CONSOLIDATED CASH FLOW STATEMENT  
 FOR THE YEAR ENDED 31st MARCH, 2009

	YEAR ENDED 31.03.2009		YEAR ENDED 31.03.2008	
	RS.		RS.	
<b>A. Cash flows from operating activities</b>				
Net Profit before taxation		98320733		20809052
Adjustments for :				
Depreciation	10692794		3373729	
Misc. expenditure amortised	846356		3947879	
Interest income	(965821)		(7766410)	
Interest expense	56612964		34432121	
Operating Profit before working capital changes		67186293		33987319
Adjustments for changes in working capital :		165507026		54796371
increase in Inventories	(360411402)		(1203267521)	
increase in Trade receivables	(12863422)		(14636277)	
Decrease in other receivables	13703179		112570944	
Decrease in Advance from customers	(37584821)		58744670	
Increase in Trade payable	4783209		46170841	
Increase in other liabilities	83049607	(309323650)	(84798545)	(1085215888)
Cash generated from operations		(143816624)		(1030419517)
Direct taxes paid (Net)		18506691		4457746
<b>Net cash used for operating activities (A)</b>		<b>(162323315)</b>		<b>(1034877263)</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets		(45708024)		(15194587)
Windmill Project		--		(41894735)
Investment in shares of Limited Companies				(73800000)
Misc. expenditure incurred		--		(1370609)
Advances received - Joint Ventures		--		15040000
Proceeds from issue of share capital		--		144117650
Interest received		965821		7766409
<b>Net cash used in investing activities (B)</b>		<b>(44742204)</b>		<b>34664128</b>

**MANJEERA CONSTRUCTIONS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st MARCH, 2009**

	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>C. Cash flow from financing activities</b>		
Rights Issue	--	75050430
Rights Issue-Share Premium	--	150100860
Term Loan Receipts (Net)	113017528	838858433
Unsecured loan receipts (Net)	46682023	294424
Inter corporate deposits received	13900415	(128348116)
Proceeds from borrowings -Debentures	--	122549000
Inter corporate deposits extended	--	(12507924)
Dividend paid	(8780535)	(9006075)
Interest Paid	165383	13938288
<b>Net Cash from financing activities (C)</b>	<b>164984815</b>	<b>1050929320</b>
Net increase in cash and cash equivalents (A+B+C)	(42080704)	50716185
Cash and cash equivalents at beginning of year	110107871	59800782
Cash and cash equivalents at end of year	<b>68027169</b>	<b>110107871</b>

Notes :

1. The cash flows from operating activities has been prepared under Indirect method as per AS-3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents represent cash and bank balances(net).
3. Figures under brackets represent cash outflows.

For and on behalf of the Board of Directors

As per our report of even date  
for A.K.Sabat & Co.,  
Chartered Accountants

Place : HYDERABAD  
Date : 28.08.2009

Sd/-  
(G.YOGANAND)  
Managing Director

Sd/-  
(G. SHIVA LEELANAND)  
Director

Sd/-  
(DEEPTHI.T)  
Company Secretary

Sd/-  
(D.VIJAYA KUMAR)  
Partner  
Membership No.:51961

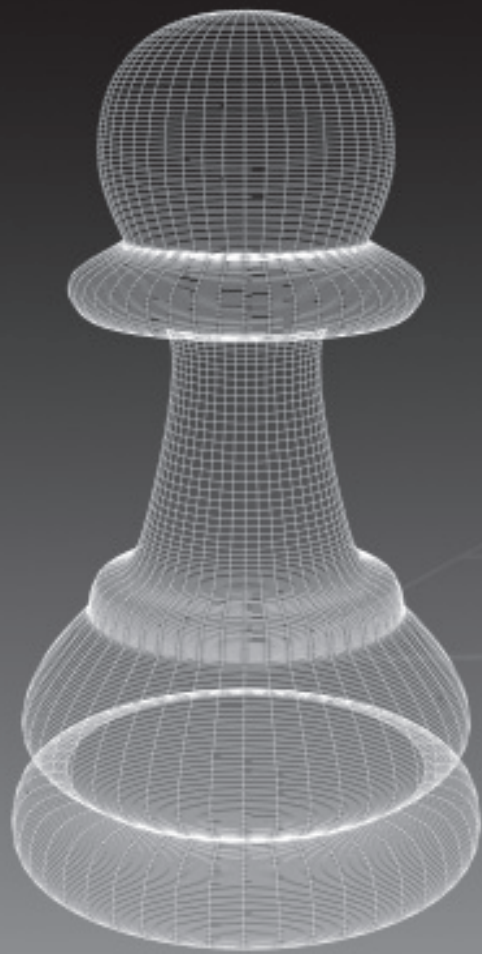
A PRECIOUS  
LIFESTYLE



MANJEERA DIAMOND TOWERS



Manjeera Diamond Towers offers residential space that begins and ends with the most profound attention to detail. Coming up on 11 acres of prime land in Gopanpally, Gachibowli, Phase 1 of Manjeera Diamond Towers comprises of 7 towers of 10 levels each housing 3 BHK (1530 sft. to 1780 sft.) luxury apartments. Manjeera Diamond Towers Phase II features 5 towers of 10 levels each, housing 2 and 3 BHK apartments ranging between 940 sft. and 1500 sft. in size. Phase I is in an advanced stage of completion and is poised for occupation by March 2010.



*MOVE: For the first time, can move either one space or two spaces directly forwards. For all subsequent moves - one space directly forwards.*

"Pawns: They are the soul of this game,  
they alone form the attack and defense."

Philidor



ectly forwards.

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED DIRECTORS' REPORT

TO  
The Members  
Manjeera Retail Holdings Private Limited  
# 304, Aditya Trade Centre, Ameerpet,  
Hyderabad – 500 038

Your Directors hereby present the 9th Annual Report of your company together with the Audited Financial Statements for the financial year ended 31st March, 2009.

### **OPERATIONS OF THE COMPANY**

Your Company has undertaken the development of 8.295 Acres of APHB's Land at Kukatpally under special purpose vehicle. The total estimated cost of the project as per revised projections is about Rs. 637.8 Crores. The Project deals with construction of about 19.82 Lakhs Sq.ft. of built-up area of office, retail / multiplex / commercial / residential apart from car parking space of about 8.92 Lakh Sq. ft.

Your Company has obtained approvals for the land use Conversion, Height Clearances from Airport Authority of India and NOC from DGFS for the properties. US Architects R204 DESIGN, Los Angeles, USA have been appointed for the project designs and they have completed the Concept designs for the Office Complex and the concept designs for the shopping mall is in progress.

All the Building approvals for S-2 and S-3 sites are approved by GHMC. In respect of Site S-3, the Company has received the demand for payment of Fee of Rs. 397.53 lacs of which part amount incl. first installment (Rs. 178.80 lacs) is payable immediately and balance in 5 half-yearly installments. We have paid this amount and received the approved plans for entire S-3.

In respect of Site S-2 the company has received the demand for payment of fee of Rs. 1339.81 lacs. We have requested GHMC, to consider reduction of the impact fee and payment of fee in 6 half-yearly installments for Multiplex which is under consideration.

**Environmental Clearances:** Documentation is completed and submitted to Andhra Pradesh Pollution Control Board (APPCD). The applications for S-2 and S-3 Sites were examined by State Level Environment Impact Assessment Authority (SEAC) and they recommended for prior EC, subject to submission of approved building plans for the actual number of floors to be constructed and clearance from HMWS & SB.

**Share Holding:** Manjeera Constructions Limited is holding 51% of Equity Capital and the Balance 49% of the Equity Capital is held by Trinity Capital (Six) Limited. In addition to the Equity Capital Trinity Capital (Six) Limited is holding 3,67,647 Cumulative Mandatory Convertible 14% Investor Debentures issued by the Company.

The Company had incurred Rs. 20,57,57,209 /- as expenditure for the project during the year under review.

### **PUBLIC DEPOSITS**

During the year the Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

**DIRECTORS**

During the year Mr. Anuj Agarwal, alternate director to Mr. Mahesh Manilal Gandhi vacated his office and ceased to be a director as Mr. Mahesh Manilal Gandhi has come back to the State and attended the Board Meetings.

Mr. P. Sobhanadri, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The proposal regarding re-appointment of the aforesaid Director is placed for your approval.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

1. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the Directors have selected such 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.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the annual accounts on a going concern basis

**AUDITORS**

M/s. BSR & CO., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as Statutory Auditors of the company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section - 224 (1B) of the companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

Particulars of employees required in accordance with the provisions of section-217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given below:

Name	Konijeti Jagadeeswara Rao
Age	55 Years
Designation	Chief Executive Officer (CEO)
Remuneration Received Per Annum	Rs. 21,60,000 /-
Qualification	B.E. Civil from NIT & DBM - MIE
Total Experience	30 years
Date of Commencement of Employment	22.05.08
Last Employment and Designation Held	Seven Hills Health Care Limited President (Construction)

Note:

- i) Remuneration shown above includes Salary, House Rent Allowance, Leave Travel Allowance, Other Allowances, Medical Reimbursement, Company's Contribution to Provident Fund. Perquisite for use of Mobile, Car with driver & fuel for official purposes and Ex-Gratia payable on half-year basis are extra.
- ii) The monetary value of perquisites is calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made there under.
- iii) Mr. K. J. Rao has adequate experience to discharge the responsibility assigned to him.
- iv) Mr. K. J. Rao has received the remuneration of Rs. 2,08,333/- per month for a period of 10 months i.e, from 22.05.08 to 28.02.2009. Presently, he is drawing Rs. 1,66,666/- per month with effect from 01st March, 2009.

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

As the company is not engaged in manufacturing activity, prescribed information regarding compliance of rules relating to conservation of energy and technology absorption pursuant to section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not provided as the same is not applicable to the company.

The Foreign Exchange earnings and outgo of the company during the financial year are as follows:

Foreign Exchange earnings: Nil

Foreign Exchange outgo: Rs. 1,34,97,945/-

**AUDITORS' REPORT:**

The observations of the Auditor's in their report to the shareholders for the year ended 31st March, 2009 are self explanatory and does not require any further clarification from the Board of Directors of the company.

**AUDIT COMMITTEE:**

During the year the Board of Directors constituted an Audit committee of Manjeera Retail Holdings Private Limited in line with provisions of section 292 A of Companies Act, 1956. The present members of the Audit Committee are as follows:

- 1) Sri K. Srinath
- 2) Sri P. Sobhanadri
- 3) Sri D. Kiran Kumar



**ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments, Hyderabad Urban Development Authority, GHMC, HMDA, APHB, Ministry of Corporate Affairs, Registrar of Companies, Shareholders, Bankers, Financial Institutions, Customers, Suppliers, Contractors and other Associates for their continued support to the Company.

The Company enjoyed very cordial and fruitful relations with the employees during the year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by the Company's executives, staff and workers for achieving good results under demanding circumstances.

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For and on behalf of the Board

Place: Hyderabad  
Date: 28-08-2009

Sd/-  
(G Yoganand)  
Chairman and Managing Director

Sd/-  
(P Sobhanadri)  
Director

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED AUDITORS' REPORT TO THE MEMBERS

- 1 We have audited the attached balance sheet of Manjeera Retail Holdings Private Limited ("the Company") as at 31 March 2009, the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - (e) on the basis of written representations received from the directors, as on 31 March 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act; and

- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2009;
  - (ii) in the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
  - (iii) the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

for **B S R & Company**  
Chartered Accountants

Sd/-  
(Zubin Shekary)  
Membership No: 48814

Place: Hyderabad  
Date : 28-08-2009

MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
ANNEXURE TO THE AUDITORS' REPORT  
31ST MARCH, 2009

Annexure referred to in paragraph 3 of our report of even date to the members of Manjeera Retail Holdings Private Limited ("the Company"). We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noted on such verification.
3. The Company has not disposed off any fixed assets during the year. Accordingly clause 4(i)(c) of the Order is not applicable.
4. The stock of materials has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
5. The procedures for the physical verification of the stock of materials followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. The Company is maintaining proper records of the stock of material. The discrepancies noticed on verification between the physical stocks and book records were not material.
7. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4(iii)(a) to 4(iii)(g) of the Order are not applicable to the Company.
8. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the Company and the nature of its business with regards to the purchase of inventories and fixed assets. In our opinion and according to the information and explanation given to us, there is no continuing failure to correct major weaknesses in the internal control system.
9. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
10. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (9) above are for the Company's specialized requirements for which suitable alternative sources are not available to obtain comparable quotations. However on the basis of information and explanation provided, the same appear reasonable.

11. The Company has not accepted any deposits from the public.
12. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.
14. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income tax, service tax and other material statutory dues during the year have generally been regularly deposited with the appropriate authorities *except for certain delays in income tax payments amounting to Rs. 2,546,077 for the month of June 08.* As explained to us, the provisions of employees' state insurance, provident fund, sales tax, wealth tax, customs duty, excise duty and investor education and protection fund are not applicable to the Company.

There were no delays on account of Cess under Section 441A of the Companies Act, 1956, since the aforesaid section has not yet been made effective by the Central Government of India

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax and other material statutory dues were in arrears as at 31st March, 2009 for a period more than six months from the date they became payable *except in case of income tax payments as stated above.* As explained to us, the provisions of employees' state insurance, provident fund, sales tax, wealth tax, customs duty, excise duty, cess and investor education and protection fund are not applicable to the Company.

15. According to the information and explanations given to us, there are no dues of income tax and service tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of employees' state insurance, provident fund, sales tax, wealth tax, customs duty and excise duty.
16. The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses in the current financial year and immediately preceding financial year. However, they do not exceed fifty percent of its net worth.
17. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any dues to any financial institution during the year. The outstanding debentures are not repayable in cash and are compulsorily convertible into equity shares at any time after the expiry of 36 months from the date of issue of the debentures. 245,098 debentures and 122,549 debentures have been issued on 22 March 2007 and 29 November 2007 respectively.

18. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
19. In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
20. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
21. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
22. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
23. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
24. The Company has not made any preferential allotment of shares to companies/firms/ parties covered in the register maintained under section 301 of the Companies Act, 1956.
25. According to the information and explanation given to us, the Company has issued unsecured debentures and hence has not created security or charge in respect of the debentures outstanding during the year.
26. The Company has not raised any money by public issues during the year.
27. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Company**  
Chartered Accountants

Sd/-  
(Zubin Shekary)  
Membership No: 48814

Place: Hyderabad  
Date: 28-08-2009

ADDING  
VALUE  
TO LIFE



MANJEERA DIAMOND VILLAS



**MANJEERA DIAMOND VILLAS**  
Manjeera Diamond Villas coming up alongside Manjeera Diamond Towers present a breathtaking medley of contemporary style and classic practicality. This gated community of 50 sprawling villas, with a builtup space of 3500 sft. each, is all about 'no compromise.' Mega-sized but classy, it comes with all the conveniences of a thriving self-contained township.

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SOURCES OF FUNDS</b>			
Shareholders' funds			
Share capital	2	882,352,940	882,352,940
<b>Loan funds</b>			
Secured loans	3	631,045,268	545,950,000
Unsecured loans	4	367,647,000	367,647,000
		<b>1,881,045,208</b>	<b>1,795,949,940</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	1,535,828	311,355
Less: Accumulated depreciation		(407,146)	(83,512)
Net block		1,128,682	227,843
<b>Current assets, loans and advances</b>			
Inventories	6	1,929,126,852	1,650,960,067
Cash and bank balances	7	52,847,570	95,181,177
Loans and advances	8	30,603,795	120,609,422
		2,012,578,217	1,866,750,666
<b>Current liabilities and provisions</b>			
Current liabilities	9	137,696,482	74,240,271
Provisions	10	204,279	48,054
		137,900,761	74,288,325
<b>Net current assets</b>			
		1,874,677,456	1,792,462,341
Debit balance in profit and loss account		5,239,070	3,259,756
		<b>1,881,045,208</b>	<b>1,795,949,940</b>
Significant accounting policies	1		
Notes to the accounts	13		
The schedules referred to above form an integral part of the balance sheet.			

As per our report attached  
for **B S R & Company**  
Chartered Accountants

For **Manjeera Retail Holdings Private Limited**

Place : HYDERABAD  
Date: 28-08-2009

Sd/-  
(Zubin Shekary)  
Partner  
Membership No. 48814

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary



**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31st MARCH, 2009**

	SCHEDULE	YEAR ENDED 31.03.2009 RS.	YEAR ENDED 31.03.2008 RS.
<b>INCOME</b>			
Other income		--	--
		--	--
<b>Expenditure</b>			
Operating and other expenses	11	1,599,206	12,000
Finance charges	12	36,491	44,652
Depreciation	5	323,634	70,012
Preliminary expenditure written off		--	3,101,523
		<b>1,959,331</b>	<b>3,228,187</b>
<b>Loss before tax</b>			
		<b>(1,959,331)</b>	<b>(3,228,187)</b>
Provision for tax			
- Current tax		--	--
- Deferred tax		--	--
- Fringe benefit tax		19,983	31,569
<b>Loss after tax</b>			
		<b>(1,979,314)</b>	<b>(3,259,756)</b>
Balance in the profit and loss account brought forward		(3,259,756)	--
Balance in the profit and loss account carried forward to balance sheet		<b>(5,239,070)</b>	<b>(3,259,756)</b>
<b>Earnings per share</b>			
Basic and dilutive - par value of Rs.10 per share	13(5)	(0.02)	(0.05)
Significant accounting policies	1		
Notes to the accounts	13		
The schedules referred to above form an integral part of the profit and loss account.			

As per our report attached  
for **B S R & Company**  
Chartered Accountants

For **Manjeera Retail Holdings Private Limited**

Place : HYDERABAD  
Date: 28-08-2009

Sd/-  
(Zubin Shekary)  
Partner  
Membership No. 48814

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### SCHEDULE 1: SIGNIFICANT ACCOUNTING POLICIES

#### Company Overview

Manjeera Retail Holdings Private Limited ("the Company") was incorporated on 25 February 2000. During the year 2006-07 the company has been reconstituted as a special purpose vehicle (SPV) to carry on the business of construction of property for mixed use. The principal activities of the Company are construction of property being developed for residential, retail and commercial purposes. Manjeera Constructions Limited and Trinity Capital (Six) Limited have entered into debenture cum subscription and shareholders agreement with the company and hold 51% and 49% respectively in the equity share capital of the Company as at the balance sheet date.

#### 1. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards (AS) prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian rupees.

#### 2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses for the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 3. Fixed assets and depreciation

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes purchase price, taxes, duties, freight and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advance paid towards acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed asset not ready for intended use before such date are disclosed as capital work-in-progress.

Depreciation on fixed assets is provided using the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 as in the opinion of the management these rates reflect their estimates of the useful life of these assets.

Depreciation is calculated on a pro-rata basis from the date of installation till the assets are sold or disposed. Individual assets costing less than Rs 5,000 are depreciated in full in the year of purchase.

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### 4. Inventories

Inventories are valued at cost. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventory includes all external development charges incurred for the project including cost of land development rights.

### 5. Foreign currency transactions

Foreign exchange transactions are recorded in the books of accounts using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date contracts are translated at year-end rates. The resultant exchange differences are recognised in the profit and loss account.

Non-monetary assets and liabilities are recorded at the rates prevailing on the date of transaction.

### 6. Employee benefits

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liabilities with regard to the gratuity plan are determined by actuarial valuation, carried by an independent actuary, as of the balance sheet date.

### 7. Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 8. Income tax

Income tax expense comprises current tax, deferred tax and fringe benefit tax.

#### Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

#### Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### **9. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that any asset forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **10. Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE : 2 SHARE CAPITAL</b>		
<b>Authorised capital</b> 90,000,000 (previous year: 90,000,000) equity shares of Rs. 10 each	900,000,000	900,000,000
	<b>900,000,000</b>	<b>900,000,000</b>
<b>Issued, subscribed and paid-up capital</b> 88,235,294 (previous year: 88,235,294) of Rs 10. each, fully paid-up	882,352,940	882,352,940
	<b>882,352,940</b>	<b>882,352,940</b>
<i>(Of the above, 45,000,000 (previous year: 45,000,000) equity shares of Rs. 10 each fully paid-up are held by Manjeera Constructions Limited, the holding company and 43,235,294 (previous year: 43,235,294) equity shares of Rs. 10 each fully paid-up are held by Trinity Capital (Six) Limited.)</i>		
<b>SCHEDULE: 3 SECURED LOANS</b>		
<i>Long-term</i>		
Term loan from Housing and Urban Development Corporation Ltd (HUDCO) (Refer Note 1)	500,111,248	500,200,000
Term loan from Bank of Baroda (Refer Note 1)	40,000,000	—
Term loan from Indian Bank (Refer Note 1)	40,000,000	—
Term loan from Oriental Bank of Commerce (Refer Note 1)	50,000,000	—
Interest accrued and due	934,020	—
<i>Short-term</i>		
Short term loans from banks (Refer Note 2)	—	45,750,000
	<b>631,045,268</b>	<b>545,950,000</b>
<p><b>Notes:</b> 1. Term loans is secured by a pari passu charge on (a) project immovable properties viz. project land, building etc by way of a mortgage by deposit of title deeds, (b) assignment of rights of the land and project documents and insurance policies relating to the project, (c) personal guarantee of the promoter director Mr G Yoganand and corporate guarantee of Manjeera Constructions Limited, the holding company, (d) pledge of shares of entire shareholding of Manjeera Constructions Limited in Manjeera Retail Holdings Private Limited and (e) assignment of Escrow account and charge on receivables.</p> <p>2. Short term loans from banks are secured by way of pledge of fixed deposits held with the banks.</p>		
<b>SCHEDULE: 4 UNSECURED LOANS</b>		
367,647 (previous year: 367,647) 14% cumulative mandatorily convertible debentures of Rs 1,000 each	367,647,000	367,647,000
	<b>367,647,000</b>	<b>367,647,000</b>
<p><b>Notes:</b> 14% cumulative mandatorily convertible debentures shall be compulsorily converted into such number of equity shares as would be determined by dividing the aggregate amount received for the debentures by the conversion price as would be determined as per then applicable valuation guidelines and at the lowest certifiable value, at any time post expiry of 36 months from the date of issue of such debentures. 245,098 debentures and 122,549 debentures have been issued on 22 March, 2007 and 29th November, 2007 respectively.</p>		

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED  
SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

**SCHEDULE 5: FIXED ASSETS**

(RS.)

Description	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1 April 2008	Additions	As at 31 March 2009	As at 1 April 2008	For the year	As at 31 March 2009	As at 31 March 2009	As at 31 March 2008
<b>Tangible assets</b>								
<b>Owned assets</b>								
Office equipment	30,650	134,700	165,350	1,626	16,590	18,216	147,134	29,024
Electrical equipment	—	42,638	42,638	—	6,377	6,377	36,261	—
Plant and machinery	67,260	17,210	84,470	6,047	10,029	16,076	68,394	61,213
Computers	196,100	198,050	394,150	58,502	124,572	183,074	211,076	137,598
Furniture and fixtures	17,345	149,155	166,500	17,337	16,428	33,765	132,735	8
Vehicles	—	682,720	682,720	—	149,638	149,638	533,082	—
<b>Total</b>	<b>311,355</b>	<b>1,224,473</b>	<b>1,535,828</b>	<b>83,512</b>	<b>323,634</b>	<b>407,146</b>	<b>1,128,682</b>	<b>227,843</b>
Previous year	45,000	266,355	311,355	13,500	70,012	83,512	227,843	

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**  
**SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE: 6 INVENTORIES</b>		
Land and site related developmental costs	1,928,397,668	1,646,400,465
Stock of materials	729,184	4,559,602
	<b>1,929,126,852</b>	<b>1,650,960,067</b>
<b>SCHEDULE: 7 CASH AND BANK BALANCES</b>		
Cash in hand	—	—
Balances with scheduled banks		
- in current accounts	28,447,570	1,182,531
- in deposit account	24,400,000	93,998,646
	<b>52,847,570</b>	<b>95,181,177</b>
<b>SCHEDULE 8 : LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	292,809	292,809
Interest accrued but not due	2,429,364	2,293,411
Security deposits	554,344	—
Advance to suppliers (Refer Note 1)	24,794,559	116,703,260
Prepaid expenses	710,038	65,569
Advance tax [net of provision for tax: Rs. 58,160 (previous year: Rs. Nil)]	1,822,681	1,254,373
	<b>30,603,795</b>	<b>120,609,422</b>
<b>Note 1:</b> Includes Rs. 21,742,873 (previous year: Rs.94,500,000) paid as a mobilisation fees for construction works to Manjeera Constructions Limited, the holding company.		
<b>SCHEDULE:9 CURRENT LIABILITIES</b>		
Sundry creditors		
- due to micro and small enterprises [Refer Note 13(9)]	4,568,647	—
- others	8,597,793	5,686,604
Advance from customers	8,259,999	—
Other liabilities	11,201,614	21,910,327
Interest accrued but not due	105,068,429	46,643,340
	<b>137,696,482</b>	<b>74,240,271</b>

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**  
**SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
<b>SCHEDULE: 10 PROVISIONS</b>		
Provision for tax [net of advance tax, Rs. Nil (previous year: Rs.39,638)]	—	18,522
Provision for fringe benefit tax [net of advance tax, Rs. 39,345 (previous year: Rs.3,610)]	5,206	29,532
Provision for employee benefits	199,073	—
	<b>204,279</b>	<b>48,054</b>
	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
<b>SCHEDULE: 11 OPERATING AND OTHER EXPENSES</b>		
Salaries and wages	371,015	—
Advertisement	266,904	—
Sitting fees to directors	9,000	12,000
Rent	38,400	—
Marketing Expenses	575,750	—
Miscellaneous expenses	338,137	—
	<b>1,599,206</b>	<b>12,000</b>
<b>SCHEDULE: 12 FINANCE CHARGES</b>		
Bank charges	36,491	44,652
	<b>36,491</b>	<b>44,652</b>
<b>SCHEDULE: 13 NOTES TO THE ACCOUNTS</b>		
1. Capital commitments and contingent liabilities		
Guarantees issued by banks	243,376,820	243,376,820
Total	243,376,820	243,376,820
2. Auditor's remuneration (excluding service tax)		
Statutory audit	450,000	600,000
Out of pocket expenses	—	—
Total	450,000	600,000
3. CIF value of Imports: The company has no imports during the year (previous year: Rs Nil)		
4. Expenditure incurred in foreign currency		
Consultancy expenses	1,34,97,945	2,729,399
Total	1,34,97,945	2,729,399



## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 13: NOTES TO THE ACCOUNTS (Contd...)

### 5. Earnings per share

The computation of earnings per share is set out below

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
Earnings (Rs.)		
Loss for the year attributable to equity share holders	(1,979,314)	(3,259,756)
Shares		
Weighted average number of equity shares outstanding during the year	88,235,294	68,788,171
Basic and dilutive EPS – par value of Rs.10 per share	(0.02)	(0.05)

The conversion of outstanding compulsorily convertible debentures into equity if made would have the effect of reducing the loss per share and would therefore be anti dilutive. Hence, such conversion has not been considered for the purpose of computing dilutive earnings per share.

### 6. Deferred taxation

Components of deferred tax assets and liabilities are:

(Rs.)

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
Deferred tax liabilities arising on account of:		
- Fixed assets	(12,142)	7,897
Deferred tax asset arising on account of:		
Unabsorbed depreciation and carried forward losses	12,142	(7,897)
<b>Deferred tax liability, net</b>	—	—

The Company has recorded the deferred tax liability on account of depreciation on fixed assets amounting to Rs. 12,142 as at 31 March 2009 and recognized the deferred tax asset on account of timing differences on unabsorbed depreciation and accumulated losses on the basis of prudence, only to the extent of the above mentioned deferred tax liability.

### 7. Leases

The Company leases office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases is Rs.1,052,195 (previous year: Rs. 767,659) and non-cancellable portion is Rs. 84,000 (previous year: Rs. Nil).

The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows:

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**  
**SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

SCHEDULE - 13: NOTES TO THE ACCOUNTS (Contd...)

(Rs.)

MINIMUM LEASE PAYMENTS	AS AT 31.03.2009	AS AT 31.03.2008
Due within one year	168,000	—
Due later than one year and not later than five years	184,800	—
Due after five years	—	—
<b>Total</b>	<b>352,800</b>	—

**8. Related party transactions**

**Holding Company**

- Manjeera Constructions Limited

**Enterprise having significant influence**

- Trinity Capital (Six) Limited

**Key Management Personnel:**

(Rs.)

NAME OF THE PARTY	RELATIONSHIP
G.Yoganand	Chairman and Managing Director
Mahesh Gandhi	Director
Srinath Koganti	Director
D. Kiran Kumar	Director
P. Shobhanadri	Director

The Company has entered into the following transaction with the related parties:

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
<b>Issue of equity shares to</b>		
Trinity Capital (Six) Limited	—	144,117,650
Manjeera Constructions Limited	—	150,000,000
<b>Issue of debentures to</b>		
Trinity Capital (Six) Limited	—	124,549,000
<b>Others</b>		
Interest on 14% mandatory convertible debentures to Trinity Capital (Six) Limited	57,208,437	38,901,726
Management fees paid to Manjeera Constructions Limited	22,472,000	56,180,000
Reimbursement of expenses to Manjeera Constructions Limited	33,13,539	72,450,484
Advance paid towards construction to/ (refunded by) Manjeera Constructions Ltd	(69,570,000)	94,500,000
Sitting fees paid	9,000	12,000

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 13: NOTES TO THE ACCOUNTS (Contd...)

### Balances with related parties:

Includes the following amount due to/ due from the related parties.

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
14% Mandatorily convertible debentures to Trinity Capital (Six) Limited	367,647,000	367,647,000
Interest on debentures to Trinity Capital (Six) Limited	98,272,397	41,063,960
Advance to suppliers - Manjeera Constructions Limited	2,17,42,873	112,518,827

### 9. Dues to micro and small enterprise

The Company has sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2009 has been made in the financials statements based on information received and available with the Company. Further the Company has not paid any interest to the micro, small and medium enterprises.

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009	FOR THE YEAR ENDED 31.03.2008
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year is as follows:		
- Principal amount payable to suppliers as at the year-end	4,568,647	—
- Interest accrued on the above amount as at the year end	—	—
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	—	—
The amount of interest accrued and remaining unpaid at the end of the year	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	—	—

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**  
**SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

SCHEDULE - 13: NOTES TO THE ACCOUNTS (Contd...)

10. The Company is formed for real estate development and such operations are not capable of being expressed in any generic unit. Hence it is not possible to give the quantitative details required under paragraphs 3,4C and 4D of part II of Schedule VI to the Companies Act, 1956.

**11. Employee benefits**

The following table set out the status of the gratuity plan as required under AS 15 (Revised)

**Reconciliation of opening and closing balances of the present value of the defined benefit**

**Obligation**

**Change in defined benefit obligation**

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009
Balance at 1 April	—
Service cost	199,073
Interest cost	—
Actuarial loss	—
Benefits paid	—
<b>Balance at 31 March</b>	<b>199,073</b>

**Amount recognized in balance sheet**

(Rs.)

PARTICULARS	AS AT 31.03.2009
Present value of obligations	199,073
Net liability/(asset)	199,073
<b>Amounts in the balance sheet</b>	
Provisions	199,073
<b>Net liability/(asset)</b>	<b>199,073</b>

**Expense recognized in statement of profit and loss account**

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009
Current service cost	199,073
Interest on defined benefit obligation	—
Net actuarial loss recognized in the year	—
<b>Amount included in "Personnel expense"</b>	<b>199,073</b>

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 13: NOTES TO THE ACCOUNTS (Contd...)

### Summary of actuarial assumptions

(Rs.)

PARTICULARS	FOR THE YEAR ENDED 31.03.2009
Discount Rate (p.a.)	7.50%
Salary escalation rate (p.a.)	10.00%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

12. The Company has been set up for the development of property belonging to Andhra Pradesh Housing Board (APHB) at Kukatpally. Accordingly, the Company has only one business and geographical segment. Consequently, the requirement for separate disclosure as required under AS 17 – ‘Segment Reporting’ is not required.
13. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to the current year’s presentation.

### For Manjeera Retail Holdings Private Limited

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE**  
**YEAR ENDED 31ST MARCH 2009**

(Rs.)

	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>Cash flow from operating activities</b>		
Loss before tax	(1,959,331)	(3,228,187)
Adjustments:		
Depreciation	323,634	70,012
Finance charges	36,491	44,652
Miscellaneous expenses written off	--	3,101,523
Operating loss before working capital changes	(1,599,206)	(12,000)
(Increase)/ decrease in inventories	(139,856,549)	(915,452,436)
(Increase)/ decrease in loans and advances	90,709,888	1,428,670
Increase/ (decrease) in current liabilities	5,031,122	27,435,355
Cash used in operations	(45,714,745)	(886,600,411)
Fringe benefit tax paid	(31,392)	(5,647)
Income taxes paid, net of refunds	(568,308)	(1,254,373)
<b>Net cash used in operating activities</b>	<b>(46,314,445)</b>	<b>(887,860,431)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(1,224,473)	(266,355)
Interest received	2,972,361	3,878,782
<b>Net cash provided by investing activities</b>	<b>1,747,888</b>	<b>3,612,427</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	--	294,117,650
Proceeds from secured loans	130,000,000	545,950,000
Repayment of secured loans	(45,838,752)	--
Proceeds from issue of debentures	--	122,549,000
Finance charges	(81,928,298)	(38,637,138)
<b>Net cash provided by financing activities</b>	<b>2,232,950</b>	<b>923,979,512</b>
Net increase / (decrease) in cash and cash equivalents	(42,333,607)	39,731,508
Cash and cash equivalents at the beginning of the year	95,181,177	55,449,669
Cash and cash equivalents at the end of the year	<b>52,847,570</b>	<b>95,181,177</b>
<b>Notes:</b>		
<b>1. Components of cash and cash equivalents comprise</b>	AS AT 31.03.2009	AS AT 31.03.2008
Cash in hand	--	--
Balances with scheduled banks		
- in current accounts*	28,447,570	1,182,531
- in deposit accounts	24,400,000	93,998,646
	<b>52,847,570</b>	<b>95,181,177</b>

\*Includes an amount of Rs 27,910,751 (previous year: Rs. 5,44,342) in ESCROW account which is assigned to the lenders.

2. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report attached  
for **BSR & Company**  
Chartered Accountants

For **Manjeera Retail Holdings Private Limited**

Place : HYDERABAD  
Date: 28-08-2009

Sd/-  
(Zubin Shekary)  
Partner  
Membership No. 48814

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

## MANJEERA RETAIL HOLDINGS PRIVATE LIMITED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

#### I. Registration Details:

Registration No/ CIN : U72200AP2000PTC033700  
State Code : 01  
Balance Sheet Date : 31.03.2009

#### II. Capital raised during the year: (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

#### III. Position of Mobilization and deployment of funds: (Amount in Rs. Thousands)

<b>Total Liabilities</b>		<b>Total Assets</b>	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	882352	1. Net Fixed Assets	1128
2. Reserves & Surplus	-5239	2. Investments	NIL
3. Secured Loans	631045	3. Net Current Assets	1874677
4. Unsecured Loans	367647	4. Misc. Expenditure	NIL
<b>TOTAL</b>	<b>1875805</b>	<b>TOTAL</b>	<b>1875805</b>

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Nil	Profit after Tax	1959
Total Expenditure	1959	Earnings per share (Rs.)	-0.02
Profit before tax	1959		

#### V. Generic names of the Three Principal products of the Company

(Code: 45200)

1. Sale of Commercial / residential space

As per our report attached  
for **B S R & Company**  
Chartered Accountants

For **Manjeera Retail Holdings Private Limited**

Place : HYDERABAD  
Date: 28-08-2009

Sd/-  
(Zubin Shekary)  
Partner  
Membership No. 48814

Sd/-  
(G Yoganand)  
Chairman and  
Managing Director

Sd/-  
(P Sobhanadri)  
Director

Sd/-  
(N L Jyothsna)  
Company Secretary

MANJEERA CONSTRUCTIONS LIMITED  
# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 50038

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio-No: DP ID\*:  
No. of Shares Held: Client-ID\*:

Name & Address of the Shareholder/Proxy:

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company to be held on Wednesday, the 30th day of September, 2009 at 10.00 A.M. at Hotel Aditya Park, Ameerpet, Hyderabad – 38.

Signature of Shareholder/Proxy:

\* Applicable for Investors holding shares in electronic form.

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MANJEERA CONSTRUCTIONS LIMITED  
# 304, Aditya Trade Centre, Ameerpet, Hyderabad – 50038

PROXY FORM

Folio-No: DP ID\*:  
No. of Shares Held: Client-ID\*:

I/We ..... of ..... being a Member/Members of Manjeera Constructions Limited hereby appoint ..... of ..... or failing him/her ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the 22nd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 30th day of September, 2009 at 10.00 A.M. or at any adjournment thereof.

Signed this ..... day of September, 2009. Signature .....

\* Applicable for Investors holding shares in electronic form.

Note:

The proxy in order to be effective should be duly stamped, completed & signed across the stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.







[www.manjeera.com](http://www.manjeera.com)

**MANJEERA**  
Life Elevated

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E: [manjeera\\_group@yahoo.com](mailto:manjeera_group@yahoo.com)  
W: [www.manjeera.com](http://www.manjeera.com)