

**Auditors' Report on Yearly Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To The Board of Directors  
Manjeera Constructions Limited**

1. We have audited the accompanying Statement of Consolidated Financial Results of "Manjeera Constructions Limited" ("the Parent") and its subsidiaries and its share of Profit of its associate (the Parent together with Subsidiaries and associates is referred to as "the Group") for year ended March 31, 2018, ("the statement") attached hereto being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular No CIR/CFD/FAC/62/2016 dated July 05, 2016. This statement and the Consolidated Financial Results which form the basis for this statement are the responsibility of the Parent's Management and has been approved by its Board of Directors, has been compiled from the related consolidated financial statements which have been prepared in accordance with the Indian Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules there under, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Consolidated financial results based on our audit of annual Consolidated Financial Statements.
2. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the evidence obtained in the course of our audit provides a reasonable basis for our opinion.
3. Basis for Qualified Opinion
  - (i) As detailed in note 2.i to the accompanying consolidated financial results, inventories as at March 31, 2018 includes interest cost on the borrowings capitalised to the tune of Rs. 5906.55 Lakhs (March 31, 2017: Rs. 6041.14 Lakhs ), which in our opinion, is not in accordance with the requirements of Indian Accounting Standards (Ind AS) 23 "Borrowing Cost". Had the Company followed the accounting principles as laid down under Ind AS 23, the loss for the year would have been higher and consequently, the balance of inventories and reserves and surplus as at March 31, 2018 would have been lower by the aforesaid amount. Our audit report for previous year was also qualified in respect of this matter.
  - (ii) As stated in note 2.ii to the consolidated financial results, the Company has not recognised interest expense aggregating to Rs.5,561.17 Lakhs (from the date of issuance till 31 March 2018) on the Cumulative Mandatorily Convertible Debentures ('CCDs') which is not in accordance with the requirements of Ind AS 109, Financial Instruments. Had the Company recognised such interest expense, the loss for the year, deficit in statement of profit and loss, depreciation for the year and provision for interest payable as at March 31, 2018 would have been higher by Rs. 602.81 Lakhs, Rs. 2,611.88 Lakhs, Rs. 88.10 Lakhs and Rs. 5,561.17 Lakhs respectively and deficit in statement of profit and loss as at March 31, 2017 and April 01, 2016 would have been higher by Rs. 2,009.07 Lakhs and Rs. 1,406.26 Lakhs respectively.



4. In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of the reports of the other auditors on separate financial statements and the other financial information of the subsidiaries and the associate this consolidated financial results for the year:

(i) includes the results of the following entities:

a. Parent:

i. Manjeera Constructions Limited

b. Subsidiaries:

i. Manjeera Retail Holdings Private Limited

ii. MTM Estates and Properties Private Limited

iii. GM Infra Ventures Private Limited (Associate upto March 28, 2018)

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular No CIR/CFD/FAC/62/2016 dated July 05, 2016 in this regard; and

(iii) Subject to effects of the matters described in the Basis for Qualified Opinion paragraph above gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit and Total Comprehensive Income and other financial information of the Group for the year ended March 31, 2018.

5. We did not audit the financial statements and other financial information in respect of the subsidiaries whose financial statements include total assets of Rs. 51,934.50 Lakhs and net assets of Rs. 8,125.97 Lakhs as at March 31, 2018 and total revenue of Rs. 17,310.63 Lakhs for the year ended as on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' report have been furnished to us by the Management. The accompanying statement of Consolidated Financial Results also include the Company's share of Net profit of Rs. 133.76 Lakhs in respect of one associate whose financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and associate is based solely on the report of other auditors. The Auditors opinion furnished by the Auditors of the subsidiary contain the modification and the same is included in our audit report of Consolidated Financial Results.

6. Emphasis of Matter

We draw attention to note 2.iii to the accompanying Consolidated financial results which describes the significant uncertainty relating to the outcome of the ongoing negotiations between the Company and the Andhra Pradesh Housing Board. Pending final outcome of these negotiations, no adjustments have been recorded in the accompanying financial statements. Our opinion is not modified in respect of the said matter



7. The previously issued comparative financial information of the Group for the year ended March 31, 2017 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued comparative financial information were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated August 23, 2017 expressed modified opinion on those comparative financial information. Adjustments made to the previously issued comparative financial information to comply with Ind AS have been audited by us.

for M. Bhaskara Rao & Co.  
Chartered Accountants  
Firm Registration No.000459S



V K Muralidhar  
Partner

Membership No: 201570

Hyderabad, May 28, 2018

