

**MANJEERA CONSTRUCTIONS LIMITED**

***21st Annual Report  
2007-2008***

**MANJEERA CONSTRUCTIONS LIMITED**

BOARD OF DIRECTORS	:	Mr.G.Yoganand –Managing Director Mr.G.Shivaleelanand Mr.K.Krishnamurthy Mr. J Ramesh (Up to 31 <sup>st</sup> December 2007) Mr. D.L.S. Sreshti (From 03 <sup>rd</sup> January 2008)
COMPANY SECRETARY	:	Ms. S Sujana
AUDITORS	:	M/s. A.K.Sabat & Co. Chartered Accountants 1-9-485/15/A/1, Ramnagar Gundu, Hyderabad - 500 044.
BANKERS	:	<b>ICICI Bank</b> S R Nagar, Hyderabad.  <b>YES Bank</b> Somajiguda, Hyderabad.  <b>Oriental Bank of Commerce,</b> Ameerpet, Hyderabad.
REGISTERED OFFICE	:	#304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad-500 038. Phone: 23735194/23743017/23730231 Fax: 91(040)23733763 Email: manjeera_group@yahoo.com
REGISTRAR & SHARE TRANSFER AGENTS:		<b>XL Softech Systems Limited</b> Plot No.3, Sagar Society, Banjara Hills, Road No.2 Hyderabad – 500 034.

## MANJEERA CONSTRUCTIONS LIMITED

### NOTICE TO MEMBERS

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of **MANJEERA CONSTRUCTIONS LIMITED** will be held on Saturday the 20<sup>th</sup> Day of September, 2008 at 10.00 A.M. 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 31<sup>st</sup> March, 2008 and the Profit and Loss account of Company for the year ended on that date together with the Reports of the Directors and Statutory Auditors thereon.
2. To consider and approve the declaration of dividend for the financial year ended 31<sup>st</sup> March 2008.
3. To consider and appoint a Director in place of Mr. K Krishna Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s A K Sabat & Co., Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration as may be decided and approved by the Board of Directors of the Company.

#### SPECIAL BUSINESS:

##### **Item No. 5: Increase in remuneration payable to Managing Director**

To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary 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 partial modification of the earlier resolution (s) passed at the 18<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2005 and 20<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2007, the consent of the members of the Company be and is hereby accorded to increase the remuneration from Rs.2,50,000/- plus perquisites to Rs.3,50,000/- plus perquisites per month to Sri G Yoganand, Chairman and Managing Director of the Company with effect from 1st April, 2008 till the expiry of his present term of office i.e. 30<sup>th</sup> 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.”

##### **Item No. 6: Alteration of Articles of Association of the Company**

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

**“RESOLVED THAT** pursuant to section 31 and other applicable provisions if any of the Companies Act, 1956, the consent of the members of the Company be and is hereby accorded to alter the Articles of Association of the Company as follows:

70. The Directors shall from time to time decide their own remuneration for the attendance of the Board Meeting. But in

## MANJEERA CONSTRUCTIONS LIMITED

no case it shall exceed Rs.5000/- for every meeting of the Board of Directors attended by them.

71. Until otherwise determined by a General Meeting, the remuneration by way of sitting fee for each Director shall be such sum not exceeding Rs.5000/- or such other

amount as may be determined by the Board subject to ceiling as may be prescribed under the Companies Act, 1956 or rules made thereunder for every meeting of the Board or its Committee meetings duly attended by the Directors.

**By order of the Board of Directors**

**Sd/-  
S Sujana  
Company Secretary**

**Place: Hyderabad**

**Date: 28/07/2008**

### **NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. A proxy is not entitled to speak at the meeting or vote except on poll.
2. The Instrument appointing a proxy to be valid must be duly stamped, executed and deposited at the Registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. The Members are requested to notify promptly any changes in their addresses to the Company at its registered office or its Registrar and Share Transfer Agent i.e. XL Softech Systems Limited (RTA) , Plot No. 3, Sagar Society, Banjara Hills, Hyderabad -500 034. Any other correspondence relating to Shares may also please be addressed to the Company or its RTA as above.
4. The Explanatory statement pursuant to the provisions of section 173(2) of the

Companies Act 1956 is annexed to this report.

5. The Register of members and share transfer books of the Company shall remain closed from 18.09.2008 to 21.09.2008 (both days inclusive) for the purpose of payment of Dividend to those members whose names stand on the Register of Members as on 18<sup>th</sup> September 2008. The Dividend in respect of Shares held in electronic form will be payable to the beneficial owners of the Shares as at the end of Business hours on 18<sup>th</sup> September 2008 as per the details furnished by the Depositories for this purpose.

**MANJEERA CONSTRUCTIONS LIMITED**

**EXPLANATORY STATEMENT Pursuant to section 173(2) of the Companies Act, 1956**

**Item No.5.**

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 have yielded tremendous results. He was re-appointed as Managing Director of the Company for a period of 5 years with effect from 01.07.2005 on the terms and conditions as approved by the shareholders at the 18<sup>th</sup> Annual General Meeting held on 30.09.2005.

The Board after reviewing the performance achieved by the Company during the year under review appreciated the management for their untiring efforts in achieving the exponential growth, both in terms of total income and profitability. The Board, considering the increased responsibilities shouldered on Sri G Yoganand due to increase in the volume of business, has decided to remunerate him suitably. It is proposed to increase the remuneration payable to Sri G Yoganand from the existing Rs.2,50,000/- to Rs.3,50,000/- plus perquisites as mentioned in the resolution passed at the 18<sup>th</sup> Annual general meeting of the Company held on 30.09.2005. 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

**Item No. 6.**

Keeping in view the increased responsibilities pressed on Directors of the Company and the volume of business to be transacted at the Board Meetings of the Company, it is considered fair that the remuneration of the Directors by way of sitting fees be increased so as to commensurate with the responsibilities shouldered on them. The Company proposes to pay Rs. 5000/- as remuneration by way of sitting fee for each Board meeting duly attended by the Directors; hence this resolution is required to be approved by the members.

Directors recommend the resolution for your approval.

**Information of the Director seeking re-appointment (Pursuant to clause 49 of the Listing Agreement).**

1. Name of the Director : Mr. K Krishna Murthy
2. Date of birth : 01.01.1938
3. Qualifications : B E (Hons), M.Tech, FIE, FIV,
4. Experience : 45 years of experience in Consultancy, Project Management etc.
5. Other Directorships : Nil

**By order of the Board of Directors**

**Place : Hyderabad**  
**Date: 28.07.2008**

**Sd/-**  
**S. Sujana**  
Company Secretary

## MANJEERA CONSTRUCTIONS LIMITED

### DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2008.

#### 1. FINANCIAL RESULTS:

Rs.In Lacs

Particulars	FY 2007-08	FY 2006-07
Sales & Other Income	3889.84	2033.44
Less: Total Expenditure	3108.75	1527.75
Profit after Interest but before Depreciation and tax	781.09	505.69
Depreciation	33.04	22.12
Provision for Tax	216.25	16.65
Profit after Tax	531.80	466.92
Interim Dividend	30.02	-
Tax on Interim Dividend	4.26	-
Proposed Final Dividend	75.05	60.04
Tax on proposed Dividend	12.75	10.20
Reserves & Surplus	2415.10	504.37
Paid Up Equity share Capital	1250.84	500.34

#### 2. OPERATIONS:

Your company has achieved turnover of Rs. 3889.84 lacs as against the turnover of Rs. 2033.44 lacs in previous year 2006-2007 registering a growth at 91.28%. The net profit after tax stood at Rs. 531.80 lacs as against Rs. 466.92 lacs in the previous year 2006-07 registering a growth at 13.90 % .

#### 3. DIVIDEND

Keeping in view of the sound financial position of the Company, your Directors are happy to recommend a dividend of 6% on the expanded capital of the Company arising out of the Rights issue in the ratio of 2: 3 for the year ending 31<sup>st</sup> March 2008

in addition to the interim dividend paid @ 6% on the pre rights issue capital. After considering the interim dividend of 6%, the total dividend stands at 12% for the Year 2007-08.

#### 4. DIRECTORS:

Mr. K. Krishna Murthy who retires by rotation and being eligible, offered himself for re-appointment. The board recommends the resolution for your approval.

#### 5. PUBLIC DEPOSITS:

The Company had not accepted any deposit from public during the year.

#### 6. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of Section 217(2AA) of the Companies Act, 1956, the directors report:

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
2. That the Directors had 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. That the Directors had 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

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detecting fraud and other irregularities.

4. That the Directors had prepared the annual accounts on a going concern basis.

### **7. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management discussion and analysis highlighting the business – wise details is given as part of the annual report.

### **8. CORPORATE GOVERNANCE REPORT**

A report on Corporate Governance along with a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement is given as part of the annual report.

### **9. SUBSIDIARY COMPANY**

Manjeera Retail Holdings Private Limited, subsidiary of Manjeera Constructions Limited is developing a project at Kukatpally envisaging construction of about 18 lacs sft of Built up area of Office, Retail/Multiplex/Commercial/Residential apart from Car Parking space of about 9 lac sft. at a total estimated cost of Rs. 550 crores. The project is expected to be completed within a period of three years.

A statement pursuant to Section 212 of the Companies Act, 1956, containing the particulars of the subsidiary Company, forms part of the Annual Report.

### **10. AUDITORS:**

M/s. A.K.SABAT & CO., Chartered Accountants, Hyderabad, Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. As

required under the provisions of section 224 (1B) of the Companies Act, 1956, the company has obtained a written certificate from the above auditors proposed to be re-appointed to the effect that their reappointment if made, would be in conformity with the limits specified in the said section.

### **11. RIGHTS ISSUE**

During the year under review, the company has issued 75,05,043 equity shares of Rs.10/- each at a premium of Rs.20/- per share on rights basis i.e. three shares for every two shares held on 14.09.2007.

The said shares were allotted and got listed on the stock exchanges where the company's shares were listed. The Rights Issue resulted in increase of the paid up capital of the company from Rs. 5,00,33,750/- To Rs. 12,50,84,180/-

### **12. 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.

### **13. 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 carries out the construction activities only, prescribed information regarding compliance of rules relating to conservation of Energy & Technology, absorption pursuant to section 217(1)(e) of the

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companies Act, 1956 read with 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 has no 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

### 14. INDUSTRIAL RELATIONS

The Industrial Relations during the year has

been cordial.

### 15. ACKNOWLEDGEMENT

Your Directors wish to convey their sincere thanks to all the Bankers, Registrar of Companies, Greater Hyderabad Municipal Corporation, Hyderabad Urban Development Authority, Stock Exchanges, Shareholders and other stake holders for their continued support to the Company.

Your directors also wish to convey their appreciation of the dedicated services rendered by all categories of employees.

For and on behalf of the Board

Sd/-  
G.YOGANAND  
Managing Director

Sd/-  
K KRISHNA MURTHY  
Director

Place: Hyderabad  
Date: 28.07.2008

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **CONSTRUCTION & REAL ESTATE SECTOR:**

Year 2008-09 will be a challenging year for the Indian construction industry as higher commodity prices, volatile capital market and forthcoming elections will leave their mark on the industry. Construction segment being the backbone of infrastructure development is a major employment driver, the second largest employer in the country, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, timber and building material are dependent on the construction industry.

India's GDP maintained its steady rise in 2007-08 to clock 9% growth. The average GDP for the last four years has been 8.6%, signifying stable economic growth and domestic demand.

The construction industry is also a key indicator and driver of economic activity and wealth creation. But, the industry's future prosperity will depend on its capacity to evolve on business, technological and environmental fronts. The construction industry is expected to play a critical role in the building of modern India.

The year 2007-08 has witnessed a global economic slowdown as a result the world is looking at emerging markets like India, China etc. to be the beacons of growth.

The rapidly growing real estate market in India is moving towards maturity with increasing participation from large local and international players, rising investor interests and market

friendly approach. The Indian real estate Market is worth US \$ 40-45 billion. The segment is growing at an exponential pace of Compounded Annual Growth Rate (CAGR) 19.50% and is expected to reach US\$ 97.5 billion by 2010. This growth also brings to light the dire need for professional realtors in an otherwise unorganized sector.

**Key Growth Drivers:** The propellants for the real estate sector are

- Growth of India's middle class creating demand for housing.
- Strong demographic impetus: India has the second largest population in the world and the growth rate of population is still rapid.
- Rising FDI levels has increased commercial space requirements by foreign firms.
- Expansion of organized retail sector.
- Easy availability of finance.

**Housing Real Estate Demand:** Several factors including rapid population growth, rising incomes, emergence of nuclear families, tax incentives, availability of home loans at competitive rates are responsible for the growing demand for houses and hence extensive residential construction. There is currently a shortage of around 20 million units and the demand is expected to rise in the forthcoming years. The current scenario is very conducive for investment in the housing real estate sector.

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### Major Projects under progress:

Your Company independently as well as in joint venture / SPV's currently has the following projects under construction / contract execution.

S.No.	Name of Project	Type of Development	Approx Built-up Area(Sq Ft)
1.	Manjeera Heights Phase II	Residential Apartments	315,289
2.	Hydershakote-CGEWHO	Residential Apartments	514,520
3.	Bhuwaneshwar- CGEWHO	Residential apartments	690,688
4.	Smart Homes	Independent houses	102,500
5.	Smart Homes	Apartments	84,040
6.	Manjeera Diamond Towers	Apartments	20,89,224
7.	Manjeera Diamond Villas	Gated community	143,487
8.	Kukatpally (S2A)	Commercial	1,800,000
9.	Kukatpally (S2B)	Residential	534,706
10.	Kukatpally (S3A)	Commercial	401,438
11.	Kukatpally (S3B)	Residential	508,136
12.	34,Jubilee Hills	Luxury apartments	19,936
13.	Gatchibowli	IT/ITES/Commercial	500,000
	Total		77,03,964

### WIND POWER GENERATION SECTOR:

The power sector has been in the forefront of lightning up the Indian growth story. As the economy continues to surge ahead, electrification and electricity services have been expanding concurrently to support the growth rate. Growing energy demand, heightened environmental awareness and concerns over energy security have resulted in increased demand for "green" power in developing as well as developed countries. Wind energy is one of the cleanest forms of energy around. It is non-polluting with no emissions, excessive noise or waste heat byproducts.

Wind power installations are heavily

concentrated in Europe, the United States, India and China, which accounted for about 95.9 % of cumulative installed capacity as of 2007. The real growth was visible in the Asian market.

India's annual budget for the new fiscal has a mixed bag for the wind industry. The non-withdrawal of customs duty for power generation projects and Transmission & Distribution (T&D) projects might affect upcoming grid infrastructure. However, the continuation of accelerated depreciation on windmills, exemption from central excise and CENVAT and adoption of renewable portfolio standards by some states will go a long way in encouraging the industry.

## **MANJEERA CONSTRUCTIONS LIMITED**

The Indian government has set specific targets for new and renewable energy through its Eleventh Five Year Plan. It expects renewable energy to contribute 10% of total power generation capacity by 2012 and have a 4- 5% share in the electricity mix.

Further, investing in renewable energy is an increasingly viable option, especially for those utilities faced with large emission reduction targets and renewable energy regulatory objectives in the U.S. and more so in the EU. Some of these utilities might have to set aside close to 38% of their earnings to buy carbon credits and meet their emission targets.

Keeping in view of the growth prospects your Company diversified into Wind power generation sector. Wind Mill Plant has been successfully erected in the State of Kerala and the Commercial Production commenced in the last week of April 2008.

### **REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE**

The turnover during the year under a review was Rs.3889.84 lacs as against Rs.2033.44 lacs in 2006-2007. The net profit after tax stood at Rs.531.80 lacs as against Rs.466.92 lacs in the in the previous year 2006-07.

### **SEGMENT WISE PERFORMANCE**

The Company was operating only in one segment of business i.e. construction activity till the end of the financial year 2007-08.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

An extensive system of internal control to ensure optimal utilization of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations has been implemented.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Employees are vital and continue to be one of the biggest assets of the Company. We have created a conducive work environment that encourages innovation and meritocracy. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources.

Employee productivity has been one of the key focus areas. Various measures have been initiated to study existing process flows and address the need to further improve the Construction Management Process, including manpower norms.

The boom in the infrastructure industry has created a situation where skilled and experienced personnel are in high demand. As a result, talent retention and the availability of skilled workers will continue to remain a challenge and various initiatives are being undertaken by your Company to improve employee retention in the Company.

### **CAUTIONARY STATEMENT**

Statements contained in the Management Discussion and Analysis Report and Directors Report describing estimates, projections, and expectations are “forward looking” statement and based on certain assumptions and expectations of the future events over which the company exercises no control and which could cause actual results to differ materially from those reflected in such statements. The company undertakes no obligation to publicly update or review of these futuristic statements, whether as a result of new information, future events or otherwise.

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### REPORT ON CORPORATE GOVERNANCE:

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

Corporate Governance is a commitment to values pursuing excellence and maintaining transparency, accountability and ethical business standards. Your company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

#### 2. BOARD OF DIRECTORS:

The Board has been constituted in a manner, which will result in an appropriate mix of executive / non-executive and independent directors to ensure proper governance and management. The Board has four directors of which Mr. G Yoganand is the Managing Director

A) The constitution of the Board is as follows:

Director	Whole-time/ Independent	Number of outside Directorships held *	Number of memberships on Board Committees of other companies.
Mr. G.Yoganand	Managing Director	2	Nil
Mr. G.Shivaleelanand	Non- Independent	Nil	Nil
Mr.J.Ramesh	Independent	Nil	Nil
Mr. K.Krishna Murthy	Independent	Nil	Nil
Mr. D. L. S. Sreshti	Independent	1	Nil

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

#### BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS:

The Board of the company met 9 (Nine) times during the last year i.e. 04-04-2007; 27-06-2007; 30-07-2007; 28-08-2007; 15-09-2007; 29-10-2007; 14-11-2007; 03-01-2008 & 11-01-2008. The Company placed before the Board the audited and unaudited results and performance of the company from time to time. Information which is materially important, expansion project information is placed before the Board as and when the same takes place.

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The attendance at the Board meeting and Annual general meetings was as under:

Director	No. of Board meetings held	Attendance at Board	Attendance at Annual General
Mr. G.Yoganand	9	9	Yes
Mr. G.Shivaleelanand	9	8	Yes
Mr. J.Ramesh*	9	2	No
Mr. K.Krishna Murthy	9	8	Yes
**Mr. D. L. S. Sreshti	9	—	—

\* Resigned from Directorship with effect from 31.12.2007

\*\* Appointed as Additional Director with effect from 03.01.2008

### 3. AUDIT COMMITTEE:

#### A) Brief description of Terms of reference of the Audit Committee includes a review of;

- ◆ Financial reporting process
- ◆ Draft financial statements and auditor's report (before submission to the board)
- ◆ Accounting policies and practices
- ◆ Internal controls and internal audit systems
- ◆ Risk management policies and practices
- ◆ Related party transactions

The role of the audit committee includes recommending the appointment and removal of the external auditor and fixation of audit fee and also approval of payment of fees for any other services.

#### B) Composition and attendance during the year.

The Composition and attendance of the members at the meeting of the Audit Committee was as follows:

Name of the Director	Category of Director. Executive / non executive / independent	No. of meetings held.	No. of meetings attended	Attendance at last AGM
Mr. K.Krishna Murthy Chairman	Non Executive independent.	4	4	Yes
Mr. G Shivaleelanand	Non executive	4	4	Yes
Mr. J Ramesh	Non Executive independent.	4	2	No
Mr. D. L. S. Sreshti	Non Executive Independent	4	—	—

The said meetings were held on 27-06-2007; 30-07-2007; 29-10-2007; 11-01-2008.

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**4. INVESTORS GRIEVANCE COMMITTEE:**

The Board constituted an investors grievance committee which looks into shareholders and investors grievances. The following are the members of the committee:

Sri G.Shivaleelanand  
Sri D L S Sreshti  
Sri K.Krishna Murthy

**5. REMUNERATION COMMITTEE:**

A Remuneration Committee was constituted. The Remuneration Committee's goal is to ensure that the management compensation is appropriate. The Committee, interalia, oversees and reviews all the matters connected with the fixation of remuneration to the Directors of the Company. The present composition of the Remuneration Committee is as follows:

Sri G.Shivaleelanand  
Sri D L S Sreshti  
Sri K.Krishna Murthy

Name & Designation of the Compliance officer:

Ms. S. Sujana  
Company Secretary  
Manjeera Constructions Limited  
# 304, Aditya Trade Centre,  
Ameerpet, Hyderabad – 38.

**6. REMUNERATION OF DIRECTORS:**

Details of remuneration paid to Directors are given below:

Director	Relationship with other Directors	Business relationship with the company, if any	Loans and advances from the company	Remuneration Paid During year 2007-08 (Amount in Rs.)			
				Sitting fees	Salary	Com-mission	Total
G.Yoganand	Related to G.shivaleelanand	Managing Director	Nil	Nil	2475000	Nil	2475000
G.Shivaleelanand	Related to MD	Non executive	Nil	8,000	Nil	Nil	8,000
J.Ramesh	None	Independent	Nil	1,000	Nil	Nil	1,000
K.Krishna Murthy	None	Independent	Nil	10,000	Nil	Nil	10,000
D L S Sreshti	None	Independent	Nil	Nil	Nil	Nil	Nil

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### 7. DISCLOSURES:

No transaction of material nature is entered into by the company with the promoters, Directors or management or their relatives etc that may have a potential conflict of interest of the company. There was no non compliance by the company and no penalties, strictures were imposed on the Company by the SEBI or Stock Exchanges and any other regulatory authorities, on any matter related to capital market during the last three years. There are no pecuniary transactions with the independent / non- executive directors other than payment of remuneration disclosed in point no. 6 above.

### 8. NOTES ON DIRECTORS APPOINTMEN/ RE-APPOINTMENT:

Relevant details forms part of the explanatory statement to the notice of the annual general meeting / director's report.

### 9. SHARE TRANSFERS:

The trading of equity shares of the company is mandatory in the dematerialized form. To expedite the transfer process in the physical segment, the authority has been delegated by the Board of Directors to RTA i.e. XL Softech Systems Limited which will effect transfer, transmissions etc of the shares of the Company in physical segment.

### 10. SHAREHOLDER INFORMATION:

#### 1. Annual General meeting

Date and time : 20<sup>th</sup> September, 2008 at 10.00 A.M.  
Venue : Aditya Park Hotel,  
Ameerpet, Hyderabad

#### 2. Financial Calendar: Financial Reporting for:

Quarter ending June, 30 2008	Last week of July 08
Quarter ending September 30 2008	Last week of October 08
Quarter ending December 31 2008	Last week of January, 09
Quarter ending March, 31 2009	Last week of April, 09
Annual general meeting for FY ended 31 <sup>st</sup> March, 2009	Before end of September 2009

3. Dates of Book Closure : 18/09/2008  
To  
21/09/2008

4. Registered Office : # 304, Aditya Trade Centre,  
Ameerpet, Hyderabad-500038

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5. Equity shares are listed at : The Bangalore Stock Exchange Ltd.  
The Ahmedabad Stock Exchange Ltd.  
The Madras Stock Exchange Ltd.
6. Registrars and share transfer Agents : XL Softech Private Limited  
Plot No. 3, Sagar Society,  
Banjara Hills, Road No. 2  
Hyderabad- 500 034
7. Share transfer system : All shares have been transferred and returned with in 30 days from the date of receipt, so long as the documents have been clear in all respects
8. Investor's relations : No complaints have been received from the shareholders during the financial year.

### 9. PARTICULARS OF PAST THREE ANNUAL GENERAL MEETINGS:

AGM	YEAR	VENUE	DATE	TIME
1	2007	Aditya Park Inn Hotel, Ameerpet, Hyderabad	29 <sup>th</sup> September, 2007	11.00 A M
2	2006	Aditya Park Inn Hotel, Ameerpet, Hyderabad	30 <sup>th</sup> June 2006	11.00 A M
3	2005	Aditya Park Inn Hotel, Ameerpet, Hyderabad	30 <sup>th</sup> September 2005	11.00 A.M.

### 11. POSTAL BALLOT:

Special resolutions under section 17 of the Companies Act, 1956 for amending the object clause of the Memorandum of Association of the Company and under Section 149(2A) of the Companies Act, 1956 for Commencing and carrying on new business has been passed through postal ballot by the members of the Company on 29-02-2008.

No special resolution requiring a postal ballot is being proposed at the ensuing AGM.

### 12. NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of making changes in the nomination in respect of their shareholding in the company, as permitted under section 109A of the Companies Act 1956 are requested to submit to the Compliance officer in the prescribed form 2B for this purpose, which can be furnished by the company on request.

**MANJEERA CONSTRUCTIONS LIMITED****13. DISTRIBUTION OF SHAREHOLDING AS AT 31<sup>ST</sup> MARCH 2008**

Shareholdings of nominal value of ( Rs. )	Shareholders		Share Amount	
	Nos	%	In Rs.	%
Upto 5,000	392	67.47	619740	0.50
5,001 - 10,000	63	10.84	436600	0.35
10,001 - 20,000	51	8.78	684220	0.55
20,001 - 30,000	6	1.03	155530	0.12
30,001 - 40,000	16	2.75	543440	0.43
40,001 - 50,000	4	0.69	189690	0.15
50,001 - 1,00,000	12	2.07	900660	0.72
1,00,001 & above	37	6.37	121554300	97.18
<b>Total</b>	<b>581</b>	<b>100</b>	<b>125084180</b>	<b>100</b>

**Chief Executive Officer / Chief Financial Officer Certification**

I, G Yoganand, Chairman & Managing Director of M/s. **Manjeera Constructions Limited** certify that:

- a) We have reviewed 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 accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and 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)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - 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.

**Place: Hyderabad**  
**Date: 28.07.2008**

Sd/-  
**(G Yoganand)**  
**Chairman & Managing Director**

**MANJEERA CONSTRUCTIONS LIMITED**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
Manjeera Constructions Limited

We have examined the compliance conditions of Corporate Governance by Manjeera Constructions Limited ("the Company") for the year ended 31<sup>st</sup> March, 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of 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 explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place: Hyderabad  
Date: 28-07-2008

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

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

**MANJEERA CONSTRUCTIONS LIMITED**

**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, 2008 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 31<sup>st</sup> March 2008, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2008 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 31<sup>st</sup> March, 2008;
  - 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  
Sd/-

Place : Hyderabad  
Date : 30.06.2008

(D.VIJAYA KUMAR  
PARTNER

Membership No: 51961

## MANJEERA CONSTRUCTIONS LIMITED

### 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, work in progress contracts 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 granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,25,07,924 and year-end balance of such loan granted is Rs.1,25,07,924.
- b) The rate of interest and other terms and conditions of unsecured loan given by the Company are prima facie not prejudicial to the interest of the Company.
- c) The receipt of principal and interest on unsecured loan granted are regular.
- d) There are no overdues on the unsecured loan granted to the Company.
- e) The Company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.16,07,61,476 and year-end balance of loans taken from such parties is Rs.70,99,585.
- f) 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.
- g) The interest payments and Principal repayment of loan taken is as per the terms and conditions of loan.
- 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.

## MANJEERA CONSTRUCTIONS LIMITED

- 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, employees 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, 2008 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.

**MANJEERA CONSTRUCTIONS LIMITED**

- 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) The management has disclosed on the end use of money raised by Rights issue and the same has been verified.
- xxi) No fraud on or by the Company was noticed or reported during the year.

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

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

Place: Hyderabad.  
Date : 30.06.2008

**MANJEERA CONSTRUCTIONS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As at 31.03.2008 Rs.		As at 31.03.2007 Rs.	
<b>SOURCES OF FUNDS</b>					
1	Shareholders funds				
	a. Share capital	1	125084180	50033750	
	b. Reserves and surplus	2	<u>241510328</u>	<u>50436993</u>	
			366594508		100470743
2	Loan funds				
	a. Secured loans	3	303725745	10817312	
	b. Unsecured loans	4	<u>9282182</u>	<u>137335874</u>	148153186
3	Deferred tax liability		<u>1153737</u>		<u>909059</u>
	<b>TOTAL</b>		<u><b>680756172</b></u>		<u><b>249532988</b></u>
<b>APPLICATION OF FUNDS</b>					
1	Fixed assets	5			
	a) Gross block		42528690	27600458	
	b) Less: Depreciation		<u>9898262</u>	<u>6594545</u>	
	c) Net block		32630428		21005913
2	Investments	6	524199960		300399960
3	Current assets, loans and advances (A)				
	a) Inventories	7	407717230	146184186	
	b) Sundry debtors	8	30811017	16174740	
	c) Cash and bank balances	9	15335791	4351113	
	d) Loans and advances	10	<u>88966023</u>	<u>33208016</u>	
			542830061	199918055	
	Less : Current liabilities and provisions (B)				
	a) Current liabilities	11	390511841	263146278	
	b) Provisions	12	<u>31524358</u>	<u>11252332</u>	
			422036199	274398610	
	Net current assets (A) - (B)		120793862		(74480554)
4	Miscellaneous expenditure (to the extent not written off or adjusted)	13	3131922		2607669
	<b>TOTAL</b>		<u><b>680756172</b></u>		<u><b>249532988</b></u>
Accounting policies and Notes on Accounts.		19			

For and on behalf of the Board of Directors

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

**Sd/-**  
**(G.YOGANAND)**  
Managing Director

**Sd/-**  
**(K. KRISHNA MURTHY)**  
Director

**Sd/-**  
**(S. SUJANA)**  
Company Secretary

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

Place : HYDERABAD

Date : 30.06.2008

**MANJEERA CONSTRUCTIONS LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH ,2008**

Schedule	Year ended 31.03.2008 Rs	Year ended 31.03.2007 Rs
<b>INCOME</b>		
Sale of apartments - Manjeera Heights Project	47514749	162466430
- Smart Homes Project	8346400	
Contract receipts	274589052	39560544
Property management services	50000000	
Miscellaneous income	14	1317486
	<u>388984270</u>	<u>203344460</u>
<b>EXPENDITURE</b>		
Cost of apartments sold	15	118358702
Contract expenses	16	29892253
Administrative expenses	17	3080102
Finance charges	18	1444744
Depreciation		2212052
	<u>314179371</u>	<u>154987853</u>
Profit before tax	74804899	48356607
Income tax provision:		
Current period	21000000	1263800
Earlier years provided	182303	300419
Deferred tax provided	244679	13380
Fringe benefit tax	197720	87342
Profit after tax	53180197	46691666
Balance profit brought forward from last year	36300951	14140475
Transferred for capitalisation of reserves	-	10006750
Provision for dividend	10507076	6004050
Provision for dividend tax	1700646	1020390
Transfer to General Reserve	1500000	7500000
Balance profit carried to balance sheet	75773426	36300951
Earnings per share - basic & diluted (In.Rs.)	6.40	9.13

Accounting policies and Notes on Accounts 19

For and on behalf of the Board of Directors

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

**Sd/-**  
**(G.YOGANAND)**  
Managing Director

**Sd/-**  
**(K. KRISHNA MURTHY)**  
Director

**Sd/-**  
**(S. SUJANA)**  
Company Secretary

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

Place : HYDERABAD

Date : 30.06.2008

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2008 Rs.	As at 31.03.2007 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 (50,03,375) Nos. equity shares of Rs.10 each fully paid up.	125084180	50033750
(Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves in earlier year and 75,05,043 Nos. rights shares during the year)		
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	15636042	14136042
Profit and Loss Account	75773426	36300951
Share premium	150100860	-
	241510328	50436993
<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 )	22329335	10817312
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)	25236410	-

**MANJEERA CONSTRUCTIONS LIMITED**

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
ICICI Bank Limited (Secured by the assets of the Smart Homes project)	14660000	-
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with EPC contract for Gopanpally project )	150000000	-
Tata Capital Limited (Secured by the Wind Turbine Generator )	31500000	-
Tata Capital Limited (Secured by the non standard equipment )	10000000	-
Andhra Pradeh State Financial Corporation., (Secured by collateral security amounting to Rs.625 lac provided by way of urban immovable properties)	50000000	-
	<u>303725745</u>	<u>10817312</u>
<b>SCHEDULE : 4 UNSECURED LOANS</b>		
Vehicle financiers	2182597	1888173
Intercorporate deposits	7099585	135447701
	<u>9282182</u>	<u>137335874</u>

(Amount repayable within one year  
Rs.78,52,375 - previous year:Rs.13,62,00,491)

**MANJEERA CONSTRUCTIONS LIMITED**

**SCHEDULE 5 : FIXED ASSETS**

ASSET	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 31-03-2007 Rs.	Additions During the year Rs.	Deductions During the year Rs.	As at 31-03-2008 Rs.	Up to 31-03-07 Rs.	For the year Rs.	Deductions For the year Rs.	Up to 31-03-08 Rs.	As at 31-03-08 Rs.	As at 31-03-07 Rs.
Plant & Machinery	2,660,180	11,959,709	-	14,619,889	1,871,455	804,916	-	2,676,371	11,943,518	788,725
Building	16,273,913	-	-	16,273,913	1,556,518	735,870	-	2,292,388	13,981,525	14,717,395
Electrical equipment	1,463,389	101,970	-	1,565,359	469,534	155,520	-	625,054	940,305	993,855
Office equipment	714,626	543,992	-	1,258,618	194,137	129,482	-	323,619	934,999	520,489
Furniture & fixtures	767,922	378,300	-	1,146,222	299,608	129,520	-	429,128	717,094	468,314
Computers	1,674,984	819,050	-	2,494,034	896,509	462,982	-	1,359,491	1,134,543	778,475
Vehicles	4,045,444	1,125,211	-	5,170,655	1,306,784	885,427	-	2,192,211	2,978,444	2,738,660
<b>TOTAL</b>	<b>27,600,458</b>	<b>14,928,232</b>	<b>-</b>	<b>42,528,690</b>	<b>6,594,545</b>	<b>3,303,717</b>	<b>-</b>	<b>9,898,262</b>	<b>32,630,428</b>	<b>21,005,913</b>
Previous Year	25,186,392	2,649,487	235,421	27,600,458	4,440,031	2,212,052	57,538	6,594,545	21,005,913	

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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	As at 31.03.2008 Rs.	As at 31.03.2007 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 (previous year:3,00,00,000) equity shares of Rs. 10 each fully paid up in subsidiary - Manjeera Retail holdings Private Limited	450000000	300000000
2,66,400 (previous year : Nil) equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	2664000	-
3,72,960 (previous year : Nil) Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	37296000	-
3,38,400 (previous year : Nil) Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	-
	524199960	300399960

**SCHEDULE : 7 INVENTORIES**

(At lower of cost or net realisable value as certified by the management)

Apartments held for sale - Manjeera Heights Phase I Project	2440143	8077818
Property development projects (in progress) :		
Manjeera Heights - Phase II	90667034	49556984
Smart Homes	51309176	12759836
Bangalore	4325442	4115756
CGEWHO - Bhubaneshwar	54640525	50102868
Plot No.34 (HUDA)	3384579	2434794
Quitbullahpur Apartments	24418055	-
Kukatpally Apartments	173009030	-
Work in Progress(contracts) :		
Hometel	-	667316
Manjeera Diamond Towers	3523246	647765
Management services - Kukatpally project	-	17821049
	407717230	146184186

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE : 8 SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months	1554531	5547286
Others	29256486	10627454
	30811017	16174740
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	949277	311385
Balance with scheduled banks:		
In current account	4528338	1020985
In margin deposit	9858176	3018743
	15335791	4351113
<b>SCHEDULE :10 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance - acquisition of land	8234000	22134000
Advances recoverable in cash or in kind or for value to be received	4359287	3853906
Advance - Windmill project	41894735	-
Inter corporate Deposit	12507924	-
Deposits	2655317	372798
Advance Taxes and Tax Deducted at Source	19314760	6847312
	88966023	33208016
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	297259280	144014610
Advances - Joint venturers	22643380	7603380
Advance - reimbursable expenses	20311173	-
Sundry creditors	33348941	11374204
Other liabilities	12641812	98229124
Interest accrued but not due on loans	3898158	8855
Book overdraft with scheduled bank in current account	409097	1916105
	390511841	263146278
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	7505051	6004050
Dividend Tax (Proposed)	1275484	1020390
Fringe benefit tax	197720	73789
Taxation	22546103	4154103
	31524358	11252332

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Preliminary expenses	1014000	1267500
Amortised during the year	253500	253500
	760500	1014000
Share Issue expenses	2964278	1593669
Amortised during the year	592856	-
	2371422	1593669
	3131922	2607669
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	7766410	311085
Assignment deed receipts	-	1000000
Profit on sale of fixed assets	-	6061
Rental Income	767659	-
Miscellaneous receipts	-	340
	8534069	1317486
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	10023362	109175469
Add:Transfer from Schedule 17	1842884	7393891
Add:Transfer from Schedule 18	-	1789342
	11866246	118358702
Manjeera Heights Phase II Project	14645438	-
Add:Transfer from Schedule 17	8719080	-
	23364518	-
Smart Homes Project	6104162	-
Add:Transfer from Schedule 17	1710304	-
	7814466	-
Total	43045230	118358702
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	170082885	7449056
Interiors works	-	22268225
Hometel project	35697332	174972
Hydershakote project	11141916	-
	216922133	29892253

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE: 17 ADMINISTRATIVE EXPENSES</b>		
Salaries and employee benefits	20948812	2748387
Director remuneration	2494000	914100
Travel & conveyance	1592528	1586532
Vehicle maintenance	101444	91940
Repairs & maintenance	492314	174479
Printing & stationery	664006	294476
Postage and telephones	1075071	428028
Office maintenance	1365271	895271
Property tax	127918	130084
Professional charges	2577288	581763
Sales tax	-	107277
Subscriptions & fees	332279	89943
Share expenses	451400	322475
Tender expenses	160000	99736
Legal fee & expenses	276202	74386
Insurance	320715	47516
Audit fee	235956	217842
Advertisement	1414083	1107348
General expenses	349629	355437
Credits/ debits written back/off	-	(96527)
Miscellaneous expenditure written off	846356	253500
Donations	611000	50000
	36436272	10473993
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	1842884	7393891
b) Manjeera Heights Phase II Project	8719080	-
c) Smart Homes Project	1710304	-
Less: Transfer to Inventories - Projects		
a) SMART HOMES	1429170	-
b) Kukatpally Apartments	13503	-
c) Plot No.34 (HUDA)	18537	-
d) CGEWHO - Bhubaneshwar	111048	-
e) Quitbullahpur Apartments	84300	-
	22507446	3080102

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE: 18 FINANCE CHARGES</b>		
Bank charges & commission	2081757	44906
Processing fees	-	-
Interest - term loans	32580568	3086616
Interest - vehicle financiers	241595	101454
Interest - Inter corporate Deposits	1567793	-
Interest - others	42165	-
Interest - overdraft	-	1110
Less: Transfer to Inventories	36513878	3234086
a) Manjeera Heights Phase I project	-	1789342
b) Manjeera Heights Phase II project	4,098,357	-
c) Smart Homes project	3,365,872	-
d) CGEWHO - Bhubaneshwar project	648,804	-
	<u>28,400,845</u>	<u>1444744</u>

## MANJEERA CONSTRUCTIONS LIMITED

### SCHEDULE 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 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.

## MANJEERA CONSTRUCTIONS LIMITED

### 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.

### 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 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 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. During the year the Company:**

- a) Allotted 75,05,043 equity shares of Rs.10 each for cash at a premium of Rs.20 per share to the existing equity shareholders on rights basis in the ratio of three equity shares for every two equity shares held on record date i.e. 14.09.2007.
- b) Pursuant to Debenture cum share subscription and shareholders agreement with Trinity Capital (six) Limited and Manjeera Retail Holdings Private Limited, invested 150 Lacs equity shares of Rs.10 each amounting Rs.1500 Lacs in the subsidiary company Manjeera Retail Holding Private Limited, a Special Purpose Vehicle formed for the purposes of implementation and development of shopping malls, multiplexes, office/retail complexes and residential apartments in addition to the investment made in the previous year of 300 lacs equity shares of Rs.10 each amounting to Rs.3000 lacs.
- c) Invested in GM Infra Ventures Private Limited in 2,66,400 equity shares of Rs.10 each fully paid up amounting to Rs.26,64,000, 3,72,960 optionally fully convertible Debentures (I Series) of Rs.100 each amounting to Rs.3,72,96,000 and 3,38,400 Optionally fully convertible Debentures (III Series) of Rs.100 each amounting to Rs.3,38,40,000.

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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2. Contingent liabilities not provided for:

- a) Bank Guarantees Rs.194.20 Lac (Previous year Rs.191.20 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.

3. 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):

	Sq.ft.	Current year		Sft	Previous year	
		Nos.	Value (Rs.)		Nos.	Value (Rs.)
Opening Stock	18120	13	80,77,818	—	—	—
Additions made	—	—	43,85,686	135551	102	11,72,53,287
Cost of sales	15319	11	1,00,23,361	—	89	10,91,75,469
Closing Stock	2801	2	24,40,143	18120	13	80,77,818

4. 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.

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
Contract revenue recognized during the year	28,60,01,351	9,71,68,974
Contract costs incurred and recognized profits	22,59,08,121	7,06,54,826
Advances received, net of recoveries from progressive bills	11,33,85,475	2,27,76,912
Gross amount due from customers from contract works	99,69,519.64	80,03,740
Gross amounts due to customers for contract work	Nil	Nil

5. 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.2,10,00,000 for the current period.
- ii) Income tax Assessments have been completed upto the Assessment year 2005-2006.
- iii) Profit before tax includes Rs.1,21,66,766 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.73,32,604 and Manjeera Heights Phase II project Rs.48,34,162.

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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6. As of 31st March, 2008, the Company had no outstanding dues to small scale industrial undertakings as per the records available.
7. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director - Salary Rs.24,75,000 and other directors Rs.19,000 (previous year Rs.9,14,100)
8. The Company has 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. The Company is engaged only under this segment for the year under report.
9. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement.

Name of the Company	Balance as on (Rs.)		Maximum outstanding (Rs.)	
	31.03.2008	31.03.2007	2007-08	2006-07
GM Infra ventures Private Limited	1,25,07,924	Nil	1,25,07,924	Nil

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 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**

B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2008.

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.	Subsidiary Company (Previous year) Rs.	Joint Ventures (Previous year) Rs.
Directors Remuneration	24,75,575 (9,14,100)				
Professional Fee	46,10,468 (53,45,513)				
Assignment Income				Nil (10,00,000)	
Manangement Fee				5,00,00,000 (Nil)	
Inter Corporate Deposits received		70,99,525 (13,54,47,701)			
Interest on Inter Corporate Deposits		50,88,764 (75,73,757)			
ICD given		1,25,07,924 (Nil)			
Interest on Debentures		70,88,375 (Nil)			
Interest on ICD Given		1,59,028 (Nil)			
Rent Received				7,67,659 (Nil)	
Contract Receipts		21,72,14,511 (1,01,50,534)	5,73,74,540 (2,87,20,010)		
Investment in Equity shares		26,64,000 (Nil)	Nil (Nil)	15,00,00,000 (30,00,00,000)	
Investment in Debentures		7,11,36,000 (Nil)			
Sundry Debtors			99,69,519.34 (Nil)		
Other Liabilities	Nil (23,57,040)	1,077 (55,201)			
Reimbursement of expenses				7,24,50,484 (Nil)	
Outstanding Balance				11,25,18,827 (Nil)	
Advances from Customers		1,88,85,475 (Nil)	(NIL) (3,23,36,912)	9,45,00,000 Nil	
Investments received from Joint ventures					81,93,380 (76,03,380 )
Other Advances			Nil (30,46,516)		

## MANJEERA CONSTRUCTIONS LIMITED

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

11. 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.11,53,737 as on 31.03.2008 on accounting of timing difference of depreciation. For the period under consideration Rs.2,44,679 has added on account of such depreciation in Profit and Loss account.

12. Auditors remuneration (Rs.)

Statutory Audit Fee	1,12,360
Certification Fee	89,888
Tax Audit Fee	33,708
Total	2,35,956

13. 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.

14. Earnings per Share (EPS)

	Year ended 31.03.2008	Year ended 31.03.2007
Profit attributed to Equity shareholders	Rs.5,31,80,197	Rs. 4,56,71,276
No of Equity shares (of Rs. 10 each including Rights shares of 75,05,043)	12508418	5003375
Earnings per share (Basic & diluted)	Rs.6.40	Rs. 9.13

15. Figures have been rounded off to the nearest rupee.  
16. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with that of current year presentation.  
17. 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

Sd/-  
**(G.YOGANAND)**  
Managing Director

Sd/-  
**(K.KRISHNA MURTHY)**  
Director

Sd/-  
**(S SUJANA)**  
Company Secretary

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

Place: Hyderabad  
Date : 30.06.2008

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008**

	Year ended 31.03.2008		Year ended 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flows from operating activities</b>				
Net Profit before taxation		74804898		48356607
Adjustments for :				
Depreciation	3303717		2212052	
Prior Period adjustment	-		(240)	
Misc. expenditure amortised	846356		253500	
Profit on sale of fixed assets	-		(6061)	
Interest income	(7766410)		(311085)	
Interest expense	34432121		3189180	
Credits written back	-		(96527)	
		30815784		5240819
Operating Profit before working capital changes		105620682		53597426
Adjustments for changes in working capital :				
increase in Inventories	(261533044)		(36861893)	
increase in Trade receivables	(14636277)		(5637168)	
increase in other receivables	(3974273)		(2406895)	
increase in Advance from customers	153244670		132836529	
increase in Trade payable	21974737		(66761)	
increase in other liabilities	(65276139)	(170200326)	95343572	183207384
Cash generated from operations		(64579644)		236804810
Direct taxes paid (Net)		3197726		(943235)
Net cash used for operating activities (A)		<b>(67777370)</b>		<b>235861575</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets		(14928232)		(2649487)
Windmill Project		(41894735)		
Written back of fixed assets		-		159184
Investment in shares of subsidiary		(150000000)		(300000000)
Investment in shares of Limited Companies		(73800000)		
Misc.expenditure incurred		(1370609)		(2861169)
Proceeds from sale of fixed assets		-		25000
Advances received - Joint Ventures		15040000		7603380
Interest received		7766409		311085
Net cash used in investing activities (B)		<b>(259187167)</b>		<b>(297412007)</b>

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008**

	Year ended 31.03.2008		Year ended 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
<b>C. Cash flow from financing activities</b>				
Term loan receipts			-	
Rights Issue	75050430		-	
Rights Issue-Share Premium	150100860		-	
Term Loan Receipts	292908433		-	
Unsecured loan receipts (Net)	294424		359504	
Inter corporate deposits received	(128348116)		102055696	
Inter corporate deposits extended	(12507924)		-	
Dividend paid	(9006075)		(4002700)	
Term loan repayments			(33339652)	
Interest Paid	(30542818)		(3185610)	
Net cash from financing activities (C)	<b>337949214</b>		<b>61887237</b>	
Net increase in cash and cash equivalents (A+B+C)	<b>10984678</b>		<b>336805</b>	
Cash and cash equivalents at beginning of year	4351113		2098203	
Cash and cash equivalents at end of year	14926694		4351113	

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.

As per our report of even date

for **A.K.Sabat & Co.,**  
Chartered Accountants  
Sd/-  
**(G.YOGANAND)**  
Managing Director

For and on behalf of the Board of Directors  
Sd/-  
**(K.KRISHNA MURTHY)**  
Director

Sd/-  
**(S SUJANA)**  
Company Secretary

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

Place: Hyderabad  
Date : 30.06.2008

## 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 : 31.03.2008

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

Public Issue	NIL	Right Issue	75050
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities		Total Assets	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	125084	1. Net Fixed Assets	32630
2. Reserves & Surplus	241510	2. Investments	524200
3. Deferred tax liability	1153	3. Net Current Assets	120794
4. Secured Loans	303726	4. Misc. Expenditure	3132
5. Unsecured Loans	9283		
<b>TOTAL</b>	<b>680756</b>	<b>TOTAL</b>	<b>680756</b>

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

Turnover	388984	Profit after Tax	53180
Total Expenditure	314179	Earnings per share (Rs.)	6.40
Profit before tax	74805		

#### 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

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For and on behalf of the Board of Directors

Sd/-  
**(G.YOGANAND)**  
Managing Director

Sd/-  
**(K.KRISHNA MURTHY)**  
Director

Sd/-  
**(S SUJANA)**  
Company Secretary

Place: Hyderabad  
Date : 30.06.2008

## MANJEERA CONSTRUCTIONS LIMITED

### 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, 2008 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 31<sup>st</sup> March, 2008;
  - 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  
Sd/-  
(D.VIJAYA KUMAR)  
PARTNER  
Membership No: 51961

Place : Hyderabad  
Date : 23 -08-2008

**MANJEERA CONSTRUCTIONS LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2008**

				As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SOURCES OF FUNDS</b>					
1	Shareholders funds				
	a. Share capital	1	125084180	50033750	
	b. Reserves and surplus	2	186482913	49436993	
			311567093	99470743	
2	Loan funds				
	a. Secured loans	3	849675745	10817312	
	b. Unsecured loans	4	376929182	382433874	393251186
3	Minority Interest		432352940		288235290
4	Deferred tax liability		1153737		909059
	<b>TOTAL</b>		<u>1971678697</u>	<u>781866278</u>	
<b>APPLICATION OF FUNDS</b>					
1	Fixed assets	5			
	a) Gross block		42840045	27645458	
	b) Less: Depreciation		9981774	6608045	
	c) Net block		32858271		21037413
2	Investments	6	74199960		399960
3	Current assets, loans and advances	(A)			
	a) Inventories	7	2006909638	803642117	
	b) Sundry debtors	8	30811017	16174740	
	c) Cash and bank balances	9	110516968	59800782	
	d) Loans and advances	10	92313788	151886263	
			2240551411	1031503902	
	Less : Current liabilities and provisions	(B)			
	a) Current liabilities	11	347490455	265470088	
	b) Provisions	12	31572412	11314102	
			379062867	276784190	
	Net current assets	(A) - (B)	1861488544		754719713
4	Miscellaneous expenditure	13	3131922		5709192
	(to the extent not written off or adjusted)				
	<b>TOTAL</b>		<u>1971678697</u>	<u>781866278</u>	
	Accounting policies and Notes on Accounts.	19			

As per our report of even date

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

For and on behalf of the Board of Directors

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

**Sd/-**  
**(G.YOGANAND)**  
Managing Director

**Sd/-**  
**(K.KRISHNA MURTHY)**  
Director

**Sd/-**  
**S. SUJANA**  
Company Secretary

Place : HYDERABAD  
Date : 23.08.2008



<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE : 1 SHARE CAPITAL</b>		
Authorised :		
2,50,00,000 Nos. equity shares of Rs.10 each.	<u>250000000</u>	<u>250000000</u>
Issued,subscribed & paid up:		
1,25,08,418 (50,03,375) Nos. equity shares of Rs.10 each fully paid up.	<u>125084180</u>	<u>50033750</u>
(Includes 10,00,675 Nos. Bonus shares on capitalisation of reserves in earlier year and 75,05,043 Nos. rights shares during the year)		
<b>SCHEDULE : 2 RESERVES AND SURPLUS</b>		
General Reserve	15636042	14136042
Profit and Loss Account	20746011	35300951
Share premium	150100860	-
	<u>186482913</u>	<u>49436993</u>
<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 )	22329335	10817312
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)	25236410	-
ICICI Bank Limited (Secured by the assets of the Smart Homes Project)	14660000	-
Yes Bank Limited (Secured by exclusive charge on current assets and receivables associated with	150000000	-

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
EPC contract for Gopanpally project )		
Tata Capital Limited (Secured by the Wind Turbine Generator)	31500000	-
Tata Capital Limited (Secured by the non standard equipment)	10000000	-
Andhra Pradeh State Financial Corporation., (Secured by collateral security amounting to Rs.625 lac provided by way of urban immovable properties)	50000000	-
Term Loan from Housing and Urban Development Corporation Ltd (Secured by pari passu charges 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 and (e) assignemnt of Escrow account and charges on receivables)	500200000	-
Short term Loans from banks (Secured by way of pledge of fixed deposits held with the banks)	45750000	-
	<b>849675745</b>	<b>10817312</b>

**SCHEDULE : 4 UNSECURED LOANS**

Vehicle financiers	2182597	1888173
Intercorporate deposits 3,67,647 (Previous Year :2,45,098) 14%	7099585	135447701
Investor Cumulative mandatorily Debentures of Rs.1000 each.	367647000	245098000
(Amount repayable within one year Rs.78,52,375 - previous year:Rs.13,62,00,491)	<b>376929182</b>	<b>382433874</b>

**MANJEERA CONSTRUCTIONS LIMITED**

**SCHEDULE 5 : FIXED ASSETS**

ASSET	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 31-03-2007 Rs.	Additions During the year Rs.	Deductions During the year Rs.	As at 31-03-2008 Rs.	Upto 31-03-07 Rs.	For the year 2007-08 Rs.	Deductions 2007-08 Rs.	Upto 31-03-08 Rs.	As at 31-03-08 Rs.	As at 31-03-07 Rs.
Plant & Machinery	2,660,180	12,026,969	-	14,687,149	1,871,455	810,963	-	2,682,418	12,004,731	788,725
Building	16,273,913	-	-	16,273,913	1,556,518	735,870	-	2,292,388	13,981,525	14,717,395
Electrical equipment	1,463,389	101,970	-	1,565,359	469,534	155,520	-	625,054	940,305	993,855
Office equipment	714,626	574,642	-	1,289,268	194,137	131,108	-	325,245	964,023	520,489
Furniture & fixtures	767,922	395,645	-	1,163,567	299,608	146,857	-	446,465	717,102	468,314
Computers	1,719,984	970,150	-	2,690,134	910,009	507,984	-	1,417,993	1,272,141	809,975
Vehicles	4,045,444	1,125,211	-	5,170,655	1,306,784	885,427	-	2,192,211	2,978,444	2,738,660
<b>TOTAL</b>	<b>27,645,458</b>	<b>15,194,587</b>	<b>-</b>	<b>42,840,045</b>	<b>6,608,045</b>	<b>3,373,729</b>	<b>-</b>	<b>9,981,774</b>	<b>32,858,271</b>	<b>21,037,413</b>
<b>Previous Year</b>	<b>25,186,392</b>	<b>2,694,487</b>	<b>235,421</b>	<b>27,645,458</b>	<b>4,440,031</b>	<b>2,225,552</b>	<b>57,538</b>	<b>6,608,045</b>	<b>21,037,413</b>	

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

	As at 31.03.2008 Rs.	As at 31.03.2007 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 (previous year : Nil) equity shares of Rs.10 each fully paid up in GM Infra Ventures Private Limited	2664000	-
3,72,960 (previous year : Nil) Optionally fully convertible Debentures (I SERIES) of Rs.100 each in GM Infra Ventures Private Limited	37296000	-
3,38,400 (previous year : Nil) Optionally fully convertible Debentures (III SERIES) of Rs.100 each in GM Infra Ventures Private Limited	33840000	-
	74199960	399960
<b>SCHEDULE : 7 INVENTORIES</b>		
(At lower of cost or net realisable value as certified by the management)		
Apartments held for sale - Manjeera Heights Phase I Project	2440143	8077818
Property development projects (in progress) :		
Manjeera Heights - Phase II	90667034	49556984
Smart Homes	51309176	12759836
Bangalore	4325442	4115756
CGEWHO - Bhubaneswar	54640525	50102868
Plot No.34 (HUDA)	3384579	2434794
Quitbullahpur Apartments	24418055	-
Kukatpally Apartments (S2 B)	173009030	-
Kukatpally Residential, Commercial complexes & Multiplexes	1599192408	657457931
Work in Progress(contracts) :		
Hometel	-	667316
Manjeera Diamond Towers	3523246	647765
Management services - Kukatpally project	-	17821049
	2006909638	803642117
<b>SCHEDULE : 8 SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
Outstanding for a period exceeding six months	1554531	5547286
Others	29256486	10627454
	30811017	16174740

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SCHEDULE : 9 CASH AND BANK BALANCES</b>		
Cash on Hand	949277	362361
Balance with scheduled banks:		
In current account	5710869	3774538
In margin deposit	103856822	55518743
Cheques on hand	-	145140
	110516968	59800782
<b>SCHEDULE :10 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance - acquisition of land	8234000	22134000
Advances recoverable in cash or in kind or for value to be received	4317406	10201906
Advance - Windmill project	41894735	-
Inter corporate Deposit	12507924	-
Deposits	2655317	372798
Advance Taxes and Tax Deducted at Source	20410995	6886950
Interest accrued on Term Deposits	2293411	148301
Advance - Land development fees	-	112142308
	92313788	151886263
<b>SCHEDULE: 11 CURRENT LIABILITIES</b>		
Advances from customers	202759280	144014610
Advances - Joint venturers	22643380	7603380
Sundry creditors	57587697	11416856
Other liabilities	13549503	98348048
Interest accrued but not due on loans	50541498	2171089
Book overdraft with scheduled bank in current account	409097	1916105
	347490455	265470088
<b>SCHEDULE: 12 PROVISIONS</b>		
Proposed dividend	7505051	6004050
Dividend Tax (Proposed)	1275484	1020390
Fringe benefit tax	227252	77399
Taxation	22564625	4212263
	31572412	11314102
<b>SCHEDULE: 13 MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Preliminary expenses	4115523	5144403
Amortised during the year	3355023	1028880
	760500	4115523
Share Issue expenses	2964278	1593669
Amortised during the year	592856	-
	2371422	1593669
	3131922	5709192

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
<b>SCHEDULE : 14 MISCELLANEOUS INCOME</b>		
Interest receipts	7766410	311085
Profit on sale of fixed assets	-	6061
Miscellaneous receipts	-	340
	7766410	317486
<b>SCHEDULE : 15 COST OF APARTMENTS SOLD</b>		
Manjeera Heights Phase I Project	10023362	109175469
Add: Transfer from Schedule 17	1842884	7393891
Add: Transfer from Schedule 18	-	1789342
	11866246	118358702
Manjeera Heights Phase II Project	14645438	-
Add: Transfer from Schedule 17	8719080	-
	23364518	-
Smart Homes Project	6104162	-
Add: Transfer from Schedule 17	1710304	-
	7814466	-
Total	43045230	118358702
<b>SCHEDULE : 16 CONTRACT EXPENSES</b>		
Manjeera Diamond Towers project	170082885	7449056
Interiors works	-	22268225
Hometel project	35697332	174972
Hydershakote project	11141916	-
	216922133	29892253
<b>SCHEDULE: 17 ADMINISTRATIVE EXPENSES</b>		
Salaries and employee benefits	20948812	2748387
Director remuneration	2506000	914100
Travel & conveyance	1592528	1586532
Vehicle maintenance	101444	91940
Repairs & maintenance	492314	174479
Printing & stationery	664006	294476
Postage and telephones	1075071	428028
Office maintenance	1365271	895271
Property tax	127918	130084
Professional charges	2577288	581763
Sales tax	-	107277
Subscriptions & fees	332279	89943
Share expenses	451400	322475
Tender expenses	160000	99736

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
Legal fee & expenses	276202	74386
Insurance	320715	47516
Audit fee	235,956	217842
Advertisement	1414083	1107348
General expenses	349629	355437
Credits/ debits written back/off	-	(96527)
Miscellaneous expenditure written off	3947879	253500
Donations	611000	50000
	39549795	10473993
Less: Transfer to cost of apartments sold (Schedule 15)		
a) Manjeera Heights Phase I Project	1842884	7393891
b) Manjeera Heights Phase II Project	8719080	-
c) Smart Homes Project	1710304	-
Less: Transfer to Inventories - Projects		
a) SMART HOMES	1429170	-
b) Kukatpally Apartments	13503	-
c) Plot No.34 (HUDA)	18537	-
d) CGEWHO - Bhubaneshwar	111048	-
e) Quitbullahpur Apartments	84300	-
	25620969	3080102

**SCHEDULE: 18 FINANCE CHARGES**

Bank charges & commission	2126409	44906
Interest - term loans	32580568	3086616
Interest - vehicle financiers	241595	101454
Interest - Inter corporate Deposits	1567793	-
Interest - others	42165	-
Interest - overdraft	-	1110
Less: Transfer to Inventories	36558530	3234086
a) Manjeera Heights Phase I project	-	1789342
b) Manjeera Heights Phase II project	4098357	-
c) Smart Homes project	3365872	-
d) CGEWHO - Bhubaneshwar project	648804	-
	28445497	1444744

**MANJEERA CONSTRUCTIONS LIMITED  
SCHEDULE 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 31<sup>ST</sup>  
MARCH, 2008.**

**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

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.
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.
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

## MANJEERA CONSTRUCTIONS LIMITED

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.

### B. Notes on the Accounts:

1. During the year the Holding Company:
  - a) Allotted 75,05,043 equity shares of Rs.10 each for cash at a premium of Rs.20 per share to the existing equity shareholders on rights basis in the ratio of three equity shares for every two equity shares held on record date i.e. 14.09.2007.
  - b) Pursuant to Debenture cum share subscription and shareholders agreement with Trinity Capital (six) Limited and Manjeera Retail Holdings Private Limited, invested 150 Lacs equity shares of Rs.10 each amounting Rs.1500 Lacs in the subsidiary company Manjeera Retail Holding Private Limited, a Special Purpose Vehicle formed for the purposes of implementation and development of shopping malls, multiplexes, office/retail complexes and residential apartments in addition to the investment made in the previous year of 300 lacs equity shares of Rs.10 each amounting to Rs.3000 lacs.
  - c) Invested in GM Infra Ventures Private Limited in 2,66,400 equity shares of Rs.10 each fully paid up amounting to Rs.26,64,000, 3,72,960 optionally fully convertible Debentures (I Series) of Rs.100 each amounting to Rs.3,72,96,000 and 3,38,400 Optionally fully convertible Debentures (III Series) of Rs.100 each amounting to Rs.3,38,40,000 .
2. Manjeera Retail Holdings Private Limited ("the Subsidiary Company") was incorporated on 25th February 2000. During the year 2006-07 the company has been reconstituted as special purpose vehicle (SPV) to carry on the business of construction of property for mixed use.

## MANJEERA CONSTRUCTIONS LIMITED

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.

3. Contingent liabilities not provided for:
- a) Holding Company:
- i) Bank Guarantees Rs.194.20 Lac (Previous year Rs.191.20 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 Nil)
4. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable:  
Inventories (Apartments):

	Sq.ft.	Current year		Sft	Previous year	
		Nos.	Value (Rs.)		Nos.	Value (Rs.)
Opening Stock	18120	13	80,77,818	—	—	—
Additions made	—	—	43,85,686	135551	102	11,72,53,287
Cost of sales	15319	11	1,00,23,361	—	89	10,91,75,469
Closing Stock	2801	2	24,40,143	18120	13	80,77,818

5. 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.

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
Contract revenue recognized during the year	28,60,01,351	9,71,68,974
Contract costs incurred and recognized profits	22,59,08,121	7,06,54,826
Advances received, net of recoveries from progressive bills	11,33,85,475	2,27,76,912
Gross amount due from customers from contract works	99,69,519.64	80,03,740
Gross amounts due to customers for contract work	Nil	Nil

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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6. 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.2,10,00,000 for the current period.
- ii) Income tax Assessments have been completed upto the Assessment year 2005-2006.
- iii) Profit before tax includes Rs.1,21,66,766 deductible under section 80-IB of Income Tax Act,1961 from the Gross total income of the Holding Company for the year under consideration related to Manjeera Heights Phase I project Rs.73,32,604 and Manjeera Heights Phase II project Rs.48,34,162.
7. As of 31st March, 2008, there are no outstanding dues to small scale industrial undertakings as per the records available.
8. Managerial remuneration under section 198 of the Companies Act, 1956: Managing Director (Holding Company) - Salary Rs.24,75,000 and other directors Rs.19,000 (previous year Rs.9,14,100)
9. 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.
10. Particulars of loans and advances in the nature of loans as required under clause 32 of the listing agreement.

Name of the company	Balance as on (Rs.)		Maximum outstanding (Rs.)	
	31.03.2008	31.03.2007	2007-08	2006-07
GM Infra ventures Private Limited	1,25,07,924	Nil	1,25,07,924	Nil

11. 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  
Srinath Koganti, Director  
Mahesh Gandhi, Director  
D.Kiran Kumar, Director  
P.Sobanadri, Director  
Anuj Agarwal, Alternate 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  
Trinity Capital (Six) Limited

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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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 31.03.2008.

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	24,75,575 (9,14,100)			
Professional Fee	46,10,468 (53,45,513)			
Issue of Equity shares		14,41,17,650 (28,82,35,290)		
Issue of Debentures		12,25,49,000 (24,50,98,000)		
Debentures Outstanding		36,76,47,000 (24,50,98,000)		
Interest payable on Debentures		3,89,01,726 (21,62,234)		
Interest receivable on Debentures		70,88,375 (Nil)		
Interest payable on Debentures (Outstanding)		4,10,63,960 (21,62,234)		
Interest receivable on Debentures (Outstanding)		70,88,375 (Nil)		
Inter Corporate Deposits received		70,99,525 (13,54,47,701)		
Interest on Inter Corporate Deposits		50,88,764 (75,73,757)		
ICD given		1,25,07,924 (Nil)		
Interest on ICD Given		1,59,028 (Nil)		
Contract Receipts		21,72,14,511 (1,01,50,534)	5,73,74,540 (2,87,20,010)	
Investment in Equity shares		26,64,000 (Nil)		
Investment in Debentures		7,11,36,000 (Nil)		
Sundry Debtors			99,69,519.34 (Nil)	
Other Liabilities	Nil (23,57,040)	1,077 (55,201)		
Advances from Customers		Rs.1,88,85,475 (Nil)	Nil (3,23,36,912)	
Investments received from Joint ventures				81,93,380 (76,03,380 )
Other Advances			Nil (30,46,516)	

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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Related parties relationship as stated above are identified by the Company as required under Accounting Standard and relied by the Auditors.

12. As per Accounting Standard 22 on “Accounting for Taxes on income” issued by the Institute of Chartered Accountants of India, the Holding company has accounted Deferred tax liability of Rs.11,53,737 as on 31-03-2008 on accounting of timing difference of depreciation. For the period under consideration Rs.2,44,679 has added on account of such depreciation in Profit and Loss account.

13. Auditors remuneration (Rs.)  
a) Holding Company:

Statutory Audit Fee	1,12,360
Certification Fee	89,888
Tax Audit Fee	33,708
<b>Total</b>	<b>2,35,956</b>

b) Subsidiary Company: Statutory Audit Fee - 6,00,000 (Previous Year : 44,944)

14. 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.

15. Earnings per Share (EPS)	Year ended 31.03.2008	Year ended 31.03.2007
Loss for the year attributable to equity share holders	Rs.8,47,218	Rs. 4,56,71,276
No of Equity shares (of Rs. 10 each including Rights shares of 75,05,043)	12508418	5003375
Earnings per share (Basic & diluted) –(Negative)	Rs. (0.10)	Rs.8.93

16. The Subsidiary company during the year incurred an amount of Rs.27,29,399 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.

As per our report of even date

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

For and on behalf of the Board of Directors

Sd/-

**(D.VIJAYA KUMAR)**  
Partner  
Membership No. : 51961  
Place : HYDERABAD  
Date : 23.08.2008

Sd/-

**(G.YOGANAND)**  
Managing Director

Sd/-

**(K.KRISHNA MURTHY)**  
Director

Sd/-

**S. SUJANA**  
Company Secretary

## MANJEERA CONSTRUCTIONS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.	
<b>A. Cash flows from operating activities</b>			
Net Profit before taxation	20809052	47356607	
Adjustments for :			
Depreciation	3373729	2212052	
Prior Period adjustment	-	(240)	
Misc. expenditure amortised	3947879	253500	
Profit on sale of fixed assets	-	(6061)	
Interest income	(7766410)	(311085)	
Interest expense	34432121	3189180	
Credits written back	-	(96527)	
	33987319	5240819	
Operating Profit before working capital changes	54796371	52597426	
Adjustments for changes in working capital :			
increase in Inventories	(1203267521)	(694171884)	
increase in Trade receivables	(14636277)	(5637168)	
increase in other receivables	112570944	(121085142)	
increase in Advance from customers	58744670	132836529	
increase in Trade payable	46170841	(29721)	
increase in other liabilities	(84798545)	(97378601)	(590708785)
	(1085215887)	(97378601)	
Cash generated from operations	(1030419516)	(538111359)	
Direct taxes paid (Net)	4457746	(943235)	
Net cash used for operating activities (A)	<b>(1034877262)</b>	<b>(539054594)</b>	
<b>B. Cash flows from investing activities</b>			
Purchase of fixed assets	(15194587)	(2649487)	
Windmill Project	(41894735)		
Written back of fixed assets	-	159184	
Investment in shares of Limited Companies	(73800000)		
Misc.expenditure incurred	(1370609)	(5905189)	
Proceeds from sale of fixed assets	-	25000	
Advances received - Joint Ventures	15040000	7603380	
Proceeds from issue of Share capital	144117650	288105290	
Interest received	7766409	311085	
Net cash used in investing activities (B)	<b>34664128</b>	<b>287604263</b>	

<b>MANJEERA CONSTRUCTIONS LIMITED</b>
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**C. Cash flow from financing activities**

Term loan receipts		-
Rights Issue	75050430	-
Rights Issue-Share Premium	150100860	-
Term Loan Receipts	838858433	-
Unsecured loan receipts (Net)	294424	359504
Inter corporate deposits received	(128348116)	102055696
Proceeds from borrowings - Debentures	122549000	245098000
Inter corporate deposits extended	(12507924)	
Dividend paid	(9006075)	(4002700)
Term loan repayments		(33339652)
Interest Paid	13938288	(1023376)
Net cash from financing activities (C )	<b>1050929320</b>	<b>309147472</b>
Net increase in cash and cash equivalents (A+B+C)	<b>50716186</b>	<b>57697141</b>
Cash and cash equivalents at beginning of year	59800782	2103642
Cash and cash equivalents at end of year	110107871	59800782

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.

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As per our report of even date

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

For and on behalf of the Board of Directors

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

Sd/-  
**(G.YOGANAND)**  
Managing Director

Sd/-  
**(K.KRISHNA MURTHY)**  
Director

Sd/-  
**S. SUJANA**  
Company Secretary

Place : HYDERABAD  
Date : 23.08.2008

## MANJEERA RETAIL HOLDINGS PVT. LTD.

### DIRECTORS' REPORT

TO

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

Your Directors hereby present the 8<sup>th</sup> Annual Report of your company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2008.

#### 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 is about Rs.550 Crores. The Project deals with construction of about 18 Lakhs Sq.ft. of built-up area of office, retail / multiplex / commercial / residential apart from car parking space of about 9 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 design. The Financial tie up for the project is already completed and the project is expected to be completed within a period of three years.

Manjeera Constructions Limited is holding 51% of Equity Capital and the Balance 49% of the Equity Capital is held by Trinity Capital (Six) Limited. During the year Trinity Capital (Six) has contributed Rs.12,25,49,000/- towards Cumulative Mandatory Convertible 14% Investor Debentures S3 of the Company. The total debentures issued by the Company to

Trinity Capital (Six) after the present issue is Rs. 36,76,47,000.

The Company had incurred Rs.175,71,21,774 for the project during the year under review.

#### FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

#### DIRECTORS

During the year under review, Mr. Srinath Koganti and Mr. Mahesh Gandhi were appointed as directors of the company. Mr. Anuj Agarwal was appointed as an Alternate Director to Mr. Mahesh Gandhi.

During the year Mr. Aditya Bhargava and Mr. Manish Gupta, Nominee directors of Trinity Capital (six) Limited have resigned from the Board.

Mr. G. Yoganand, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

#### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby confirms that:

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2008 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments

## MANJEERA RETAIL HOLDINGS PVT. LTD.

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 account of the company for that period;

- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the annual accounts on a going concern basis.

### AUDITORS

M/s. BSR & CO., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

### PARTICULARS OF EMPLOYEES

Particulars of Employees whose information is to be annexed to the Director's Report pursuant to section 217(2A) of the Companies Act, 1956 is not applicable, since no employee of the company was drawing remuneration attracting the provisions of the section.

### 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. 27,29,399 /-**

### AUDITORS' REPORT:

The observations of the Auditor's in their report to the shareholders for the year ended 31<sup>st</sup> March, 2008 are self explanatory and does not require any further clarification from the Board of Directors of the company. The Report does not contain any qualifications.

### ACKNOWLEDGEMENTS:

Your Directors place on record the appreciation for the sincere efforts and active involvement of employees at various levels of the Company in its operations. The Directors also place on record the appreciation for the support received from Banks and other Government Agencies.

The Directors express gratitude to the shareholders of the company for the confidence reposed in the management.

**For and on behalf of the Board**

Sd/-

**(G Yoganand)**

Chairman & Managing Director

Sd/-

**(P Sobhanadri)**

Director

Place: Hyderabad

Date : 22.08.2008

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

**AUDITORS' REPORT TO THE MEMBERS OF  
MANJEERA RETAIL HOLDINGS PRIVATE  
LIMITED**

1. We have audited the attached balance sheet of Manjeera Retail Holdings Private Limited ("the Company") as at 31 March 2008, 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 2008, and taken on record by the Board of Directors, we report that none of the directors are

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

- disqualified as on 31 March 2008 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 2008;
- (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**  
*Partner*  
Membership No: 48814

Place : Hyderabad  
Date : 22.08.2008

## MANJEERA RETAIL HOLDINGS PVT. LTD.

### ANNEXURE TO THE AUDITORS' REPORT

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

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 inventory 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 inventories 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 inventory. 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 and nature of its business.

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

13. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the services rendered by the Company.
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. As explained to us, the provisions of investor education and protection fund, employees' state insurance, sales tax, wealth tax, customs duty and excise duty are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax and other material statutory dues were in arrears as at 31 March 2008 for a period more than six months from the date they became payable. As explained to us, the provisions of investor education and protection fund, employees' state insurance, sales tax, wealth tax, customs duty and excise duty 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 provisions of employees' state insurance, sales tax, wealth tax, customs duty and excise duty are not applicable to the Company.
16. The Company has accumulated losses at the end of the financial year; however they do not exceed 50% of its net worth. The Company has incurred cash losses only in the current financial year and has not incurred cash losses in the immediately preceding financial year.
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 or to any financial institutions. The Company did not have any outstanding dues to debentures holders during the year.
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.

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

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. According to the information and explanations given to us, the Company has made preferential allotment of shares to companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
25. According to the information and explanation given to us, as the debentures issued are unsecured the securities have not been created.
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*

**Zubin Shekary**

*Partner*

Membership No: 48814

Place : Hyderabad

Date : 22.08.2008

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

(All amounts in Indian rupees, except share data and where otherwise stated)

Schedule	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' funds</b>		
Share capital	882,352,940	588,235,290
<b>Loan funds</b>		
Secured loans	545,950,000	-
Unsecured Loans	367,647,000	245,098,000
	<b>1,795,949,940</b>	<b>833,333,290</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed assets</b>		
Gross block	311,355	45,000
Less: Accumulated depreciation	(83,512)	(13,500)
Net block	227,843	31,500
<b>Current assets, loans and advances</b>		
Inventories	1,650,960,067	658,457,931
Cash and bank balances	95,181,177	55,449,669
Loans and advances	120,609,422	118,638,609
	1,866,750,666	832,546,209
<b>Current liabilities and provisions</b>		
Current liabilities	74,240,271	2,323,810
Provisions	48,054	22,132
	74,288,325	2,345,942
<b>Net current assets</b>	<b>1,792,462,341</b>	<b>830,200,267</b>
Miscellaneous expenditure to the extent not written off or adjusted	-	3,101,523
Debit balance in profit and loss account	3,259,756	-
	<b>1,795,949,940</b>	<b>833,333,290</b>
Significant accounting policies	1	
Notes to the accounts	13	

As per our report attached.

for **B S R & Company**

Chartered Accountants

Sd/-

**Zubin Shekary**

Partner

Membership No. 48814

for **Manjeera Retail Holdings Private Limited**

Sd/-

**G YOGANAND**

Chairman & Managing Director

Sd/-

**P SOBHANADRI**

Director

Sd/-

**N L JYOTHSNA**

Company Secretary

Place: Hyderabad

Date: 22.08.2008

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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**Profit and loss account for the year ended 31 March 2008**

(All amounts in Indian rupees, except share data and where otherwise stated)

	Schedule	For the year ended 31 March 2008	For the year ended 31 March 2007
<b>Income</b>			
Other income		-	-
<b>Expenditure</b>			
Operating and other expenses	11	12,000	-
Finance charges	12	44,652	-
Depreciation	5	70,012	-
Preliminary expenditure written off		3,101,523	
		<b>3,228,187</b>	-
<b>Loss before tax</b>		<b>(3,228,187)</b>	-
Income taxes			
- fringe benefit tax		31,569	-
<b>Loss after tax</b>		<b>(3,259,756)</b>	-
Balance in the profit and loss account brought forward		-	-
<b>Balance in the profit and loss account carried forward to balance sheet</b>		<b>(3,259,756)</b>	-
<b>Earnings per share</b>			
Basic and diluted			
- par value of Rs.10 per share	13 (5)	(0.05)	-
<b>Significant accounting policies</b>	1		
<b>Notes to the accounts</b>	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

Sd/-

**Zubin Shekary**

Partner

Membership No. 48814

for **Manjeera Retail Holdings Private Limited**

Sd/-

**G YOGANAND**

Chairman & Managing Director

Sd/-

**P SOBHANADRI**

Director

Sd/-

**N L JYOTHSNA**

Company Secretary

Place: Hyderabad

Date: 22.08.2008

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
-------------------------------------------

**Schedules to the Balance Sheet and Profit and loss account (continued)**

Schedules	As at 31 March 2008	As at 31 March 2007
<b>Schedule 2</b>		
<b>Authorised capital</b>	900,000,000	600,000,000
(previous year: 60,000,000) equity shares of Rs. 10 each	<b>900,000,000</b>	<b>600,000,000</b>
 <b>Issued, subscribed and paid-up capital</b>		
88,235,294 (previous year: 58,823,529) of Rs 10. each, fully paid up	882,352,940	588,235,290
	<b>882,352,940</b>	<b>588,235,290</b>
 (Of the above 45,000,000 (previous year: 30,000,000) equity shares of Rs. 10 each fully paid-up are held by Manjeera Constructions Limited, the holding company and 43,235,294 (previous year: 28,823,529) equity shares of Rs. 10 each fully paid-up are held by Trinity Capital (Six) Limited.)		
<b>Schedule 3 Secured Loans</b>		
<i>Long -term</i>		
Term loan from HUDCO (Housing and Urban Development Corporation Ltd) (Refer note 1)	500,200,000	-
<i>Short-term</i>		
Short term loans from banks (Refer note 2)	45,750,000	-
	<b>545,950,000</b>	<b>-</b>

**Notes**

1. Term loan from HUDCO is secured by a pari passu charge on
  - (a) project immovale 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, 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.
2. Demand loans from banks are secured by way of pledge of fixed deposits held with the banks.

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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**Schedules to the Balance Sheet and Profit and loss account (continued)**

	As at 31 March 2008	As at 31 March 2007
<b>Schedule 4</b>		
<b>Unsecured Loans</b>		
367,647 (previous year: 245,098)14% cumulative mandatorily convertible debentures of Rs 1,000 each	367,647,000	245,098,000
	<b>367,647,000</b>	<b>245,098,000</b>
Notes:		
<p>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.</p>		
<b>Schedule 6</b>		
<b>Inventories</b>		
Cost incurred for development of site	1,650,960,067	658,457,931
	<b>1,650,960,067</b>	<b>658,457,931</b>
<b>Schedule 7</b>		
<b>Cash and bank balances</b>		
Cash in hand	--	50,976
Cheques on hand	--	145,140
Balances with scheduled banks		
-in current accounts	1,182,531	2,753,553
-in deposit account	93,998,646	52,500,000
	<b>95,181,177</b>	<b>55,449,669</b>
<b>Schedule 8</b>		
<b>Loans and advances</b>		
<i>(Unsecured, considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	292,809	-
Interest accrued but not due	2,293,411	148,301
Advance to suppliers (Refer note1)	116,703,260	118,490,308
Prepaid expenses	65,569	-
Advance tax (net of provision for tax: Rs.Nil)	1,254,373	-
	<b>120,609,422</b>	<b>118,638,609</b>
Note 1:		
Includes Rs 94,500,000 (previous year: Rs Nil) paid as a mobilisation fees for construction works to Manjeera Constructions Limited, the holding company.		

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

**SCHEDULE 5: FIXED ASSETS**

ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1-04-2007 Rs	Additions Rs	As at 31-03-2008 Rs	As at 1-04-2007 Rs	For the year Rs	As at 31-03-08 Rs	As at 31-03-08 Rs.	As at 31-03-07 Rs
<b>Tangible assets</b>								
<b>Owned assets</b>								
Office equipment	-	30,650	30,650	-	1,626	1,626	29,024	-
Plant & Machinery	-	67,260	67,260	-	6,047	6,047	61,213	-
Computers	45,000	151,100	196,100	13,500	45,002	58,502	137,598	31,500
Furniture and fixtures	-	17,345	17,345	-	17,337	17,337	8	-
<b>Total</b>	<b>45,000</b>	<b>266,355</b>	<b>311,355</b>	<b>13,500</b>	<b>70,012</b>	<b>83,512</b>	<b>227,843</b>	<b>31,500</b>
Previous year	-	45,000	45,000	-	13,500	13,500	31,500	-

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
-------------------------------------------

**Schedules to the Balance Sheet and Profit and loss account (continued)**

	<b>As at 31 March 2008</b>	<b>As at 31 March 2007</b>
<b>Schedule 9 Current liabilities</b>		
Sundry creditors		
- micro and small enterprises [refer note 13(7)]	-	-
- others	26,531,102	53,063
Other liabilities	1,065,829	108,513
Interest accrued but not due	46,643,340	2,162,234
	<b>74,240,271</b>	<b>2,323,810</b>
<b>Schedule 10 Provisions</b>		
Provision for tax (net of advance tax, Rs.39,638 (previous year: Rs.39,638))	18,522	18,522
Provision for fringe benefit tax	29,532	3,610
	<b>48,054</b>	<b>22,132</b>
<b>Schedule 11 Operating and other expenses</b>		
Sitting fees to directors	12,000	-
	<b>12,000</b>	-
<b>Schedule 12 Finance charges</b>		
Bank charges	44,652	-
	<b>44,652</b>	-

**Schedules to Balance Sheet and Profit and Loss Account**

**Background**

Manjeera Retail Holdings Private Limited (“the Company”) was incorporated on 25 February 2000. During the year 2006-07 the company has been reconstituted as 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.

**Schedule 1: Significant accounting policies**

**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 and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable. These financial statements have been prepared and presented in Indian rupees.

**2. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India 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 less accumulated depreciation. The cost of fixed assets comprises the 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 (net of income earned from temporary investment of the borrowing funds) 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. 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.

**4. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises cost of purchase and all incidental costs incurred in bringing the inventories to their present location and condition. Cost of inventory includes all external development charges incurred for the project. Land development rights are valued at the cost.

**5. Foreign currency transactions**

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.

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 recognised in the profit and loss account.

**6. Taxation**

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 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.

*Fringe benefit tax*

Consequent to the introduction of Fringe Benefit Tax ("FBT") effective 1 April 2005, the Company provides for and discloses the FBT in accordance with the provisions of Section 115 WC of the Income Tax Act, 1961 and guidance note on FBT issued by the ICAI.

**7. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset 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 of that accounting period.

If at the balance sheet date there is an indication that if 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.

**8. Earnings per share**

The basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

**9. Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation as a result of a past 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 in respect of which 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 recognized 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.

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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**Schedule 13: Notes to the accounts**

<p>1. Capital commitments and contingent liabilities</p> <p>Particulars</p> <p style="padding-left: 20px;">Guarantees issued by banks</p> <p style="padding-left: 40px;">Total</p>	<p>For the year ended 31 March 2008</p> <p style="padding-left: 20px;">243,376,820</p> <p style="padding-left: 40px;">243,376,820</p>	<p>For the year ended 31 March 2007</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 40px;">-</p>
<p>2. Auditor's remuneration (excluding service tax)</p> <p>Particulars</p> <p style="padding-left: 20px;">Statutory audit fees</p> <p style="padding-left: 20px;">Out of pocket expenses</p> <p style="padding-left: 40px;">Total</p>	<p>For the year ended 31 March 2008</p> <p style="padding-left: 20px;">600,000</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 40px;">600,000</p>	<p>For the year ended 31 March 2007</p> <p style="padding-left: 20px;">44,944</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 40px;">44,944</p>
<p>3. CIF value of Imports</p> <p>The company has no imports during the year (previous year: Rs Nil)</p>		
<p>4. Expenditure incurred in foreign currency</p> <p>Particulars</p> <p style="padding-left: 20px;">Consultancy expenses</p> <p style="padding-left: 40px;">Total</p>	<p>For the year ended 31 March 2008</p> <p style="padding-left: 20px;">2,729,399</p> <p style="padding-left: 40px;">2,729,399</p>	<p>For the year ended 31 March 2007</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 40px;">-</p>
<p>5. Earnings per share</p> <p>The computation of earnings per share is set out below</p> <p>Particulars</p> <p><i>Earnings (Rs.)</i></p> <p>Loss for the year attributable to equity share holders</p> <p><i>Shares</i></p> <p>Weighted average number of equity shares outstanding during the period / year</p> <p><i>Basic and diluted EPS – par value of Rs. 10 per share</i></p>	<p>For the year ended 31 March 2008</p> <p style="padding-left: 20px;">(3,259,756)</p> <p style="padding-left: 20px;">68,788,171</p> <p style="padding-left: 20px;">(0.05)</p>	<p>For the year ended 31 March 2007</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 20px;">-</p> <p style="padding-left: 20px;">-</p>

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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Schedule 13: Notes to the accounts (continued)

6. Deferred taxation

Components of deferred tax assets and liabilities are:

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
Deferred tax asset		
Carry forward business losses and unabsorbed depreciation	7897	-
Deferred tax liability		
Excess of depreciation allowable under income-tax law over depreciation provided	(7897)	-
Deferred tax asset/ (liability), net	-	-

In view of the accumulated losses and in accordance with AS 22 on "Accounting for taxes on income" prescribed by the Companies (Accounting Standards) Rules, 2006, deferred tax assets on carry forward losses have been recognized only to the extent of those timing differences, the reversal of which will result in sufficient taxable income.

7. Related party transactions

Holding Company

- Manjeera Constructions Limited
- Enterprise having significant influence

- Trinity Capital (Six) Limited

Key Management Personnel:

Name of director	Relationship
G.Yoganand	Chairman & Managing Director
Srinath Koganti	Director
Mahesh Gandhi	Director
D. Kiran Kumar	Director
P. Sobhanadri	Director
Anuj Agarwal	Alternate Director

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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Schedule 13: Notes to the accounts (continued)

7. Related party transactions (continued)

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

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
Issue of equity shares		
Trinity Capital (Six) Limited	144,117,650	288,235,290
Manjeera Constructions Limited	150,000,000	300,000,000
Issue of debentures		
Trinity Capital (Six) Limited	122,549,000	245,098,000
Others		
Interest on 14% mandatory convertible debentures to Trinity Capital (Six) Limited	38,901,726	2,162,234
Management Fees paid to Manjeera Constructions Limited	56,180,000	-
Reimbursement of expenses to Manjeera Constructions Limited	72,450,484	-
Advance paid towards construction to Manjeera Constructions Ltd	94,500,000	-
Sitting fees paid	12,000	-

**Balances with related parties:**

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

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
14% Mandatorily convertible debentures to Trinity Capital (Six) Limited	367,647,000	245,098,000
Interest on debentures to Trinity Capital (Six) Limited	41,063,960	2,162,234
Dues from Manjeera Constructions Limited	112,518,827	-

<b>MANJEERA RETAIL HOLDINGS PVT. LTD.</b>
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**Schedule 13: Notes to the accounts (continued)**

8. The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2008 has been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

	For the year ended 31 March 2008	For the year ended 31 March 2007
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
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;	Nil	Nil
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;	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
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.	Nil	Nil

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

Schedule 13: Notes to the accounts (continued)

9. 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.
10. 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.
11. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to the current period’s presentation.

*for Manjeera Retail Holdings Private Limited*

**Sd/-**  
**G Yoganand**  
*Chairman & Managing Director*

**Sd/-**  
**P Sobhanadri**  
*Director*

**Sd/-**  
**N L Jyothsna**  
*Company Secretary*

Place : Hyderabad

Date : 22.08.2008

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

**Cash flow statement for the year ended 31 March 2008**

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax	(3,228,187)	-
Adjustments:		
Depreciation	70,012	-
Finance charges	44,652	-
Miscellaneous expenses written off	3,101,523	-
Operating loss before working capital changes	(12,000)	-
(Increase) in inventories	(915,452,436)	(657,722,550)
(Increase)/ decrease in loans and advances	1,428,670	(118,638,609)
Increase in current liabilities	27,435,355	2,318,198
Cash used in operations	(886,600,411)	(774,042,961)
Income taxes paid	(1,254,373)	(39,638)
Fringe benefit tax paid	(5,647)	-
<b>Net cash used in operating activities</b>	<b>(887,860,431)</b>	<b>(774,082,599)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(266,355)	(45,000)
Interest received	3,878,782	187,939
<b>Net cash provided by investing activities</b>	<b>3,612,427</b>	<b>142,939</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	294,117,650	588,105,290
Proceeds from secured loans	545,950,000	-
Proceeds from issue of debentures	122,549,000	245,098,000
Finance charges	(38,637,138)	(3,819,400)
<b>Net cash provided by financing activities</b>	<b>923,979,512</b>	<b>829,383,890</b>
<b>Net increase in cash and cash equivalents</b>	<b>39,731,50</b>	<b>55,444,230</b>
Cash and cash equivalents at the beginning of the year	55,449,669	5,439
Cash and cash equivalents at the end of the year	<b>95,181,177</b>	<b>55,449,669</b>
<b>Components of cash and cash equivalents</b>	<b>As at 31 March 2008</b>	<b>As at 31 March 2007</b>
Cash in hand	-	50,976
Cheques on hand	-	145,140
Balances with scheduled banks		
-in current accounts	1,182,531	2,753,553
-in deposit account	93,998,646	52,500,000
	<b>95,181,177</b>	<b>55,449,669</b>

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

As per our report attached.

for **B S R & Company**

for **Manjeera Retail Holdings Private Limited**

Chartered Accountants

Sd/-

Sd/-

Sd/-

Sd/-

**Zubin Shekary**

**G YOGANAND**

**P SOBHANADRI**

**N L JYOTHSNA**

**Partner Chairman & Managing Director**

**Director**

**Company Secretary**

Membership No. 48814

Place: Hyderabad

Date: 22.08.2008

**MANJEERA RETAIL HOLDINGS PVT. LTD.**

**MANJEERA RETAIL HOLDINGS PRIVATE LIMITED**

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

**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	:	33700
State Code	:	01
Balance Sheet Date	:	31.03.2008

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

Public Issue	:	NIL	Right Issue	NIL
Bonus Issue	:	NIL	Private Placement	294117

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

Total Liabilities		Total Assets	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	882352	1 Net Fixed Assets	228
2. Reserves & Surplus	-3259	2 Investments	NIL
3. Secured Loans	545950	3. Net Current Assets	1792462
4. Unsecured Loans	367647	4. Misc. Expenditure	NIL
<b>TOTAL</b>	<b>1792690</b>	<b>TOTAL</b>	<b>1792690</b>

IV	Performance of Company (Amount in Rs. Thousands)		
Turnover	Nil	Loss after Tax	3259
Total Expenditure	3228	Earnings per share (Rs.)	-0.05
Loss before tax	3228		

V. Generic names of the Three Principal products of the Company  
(Code: 45200)

1. Sale of Commercial /residential space

For and on behalf of the Board of Directors.

Sd/-  
**(G.YOGANAND)**  
Chairman & Managing Director

Sd/-  
**(P.SOBHANADRI)**  
Director

Sd/-  
**(N L JYOTHSNA)**  
Company Secretary

Place: Hyderabad  
Date : 22.08.2008

**MANJEERA CONSTRUCTIONS LIMITED**

# 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad - 38.  
(Person attending the meeting should bring this attendance slip duly filled)

Folio.....

Client ID.....

DP ID.....

**ATTENDANCE SLIP**

21st Annual General Meeting  
Saturday 20th September 2008 at 10:00 a.m  
Place : Aditya Park Hotel, Ameerpet, Hyderabad - 38.

Full Name of the first Share Holder.....

Full Name of the person attending the meeting as a Proxy / Shareholder.....

.....

Signature

TEAR HERE

**PROXY FORM**

**MANJEERA CONSTRUCTIONS LIMITED**

# 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad - 38.

Regd. Folio No.....

No. of Shares held.....

Client ID.....

DP ID.....

I/We ..... of being a member / members.....

of the above name company hereby appoint.....

..... as my/our proxy to vote for me/on my behalf at the 21st Annual General Meeting of the Company to be held on 20th September 2008 at 10:00 a.m. and at any adjournment thereof.

Signed this ..... day of.....2008

Affix  
Revenue  
Stamp

- Note :
1. The proxy form duly completed should be signed across the stamp, as per specimen signature registered with the company and must be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.
  2. A proxy need not be a member

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**MANJEERA CONSTRUCTIONS LIMITED**  
# 304, Aditya Trade Centre,  
Aditya Enclave Raod,  
Ameerpet, Hyderabad - 500 038.