

MANJEERA CONSTRUCTIONS LIMITED

- BOARD OF DIRECTORS : Mr.G.YOGANAND –Managing Director
Mr.G.SHIVALEELANAND
Mr.K.KRISHNAMURTHY
Mr.J.RAMESH
- COMPANY SECRETARY : Mr. S BRAHMAIAH
- AUDITORS : M/s. A.K.SABAT & CO.
Chartered Accountants
1-9-485/15/A/1,
Ramnagar Gundu,
Hyderabad - 500 044.
- BANKERS : **ICICI Bank**
S R Nagar, Hyderabad.
- Oriental Bank of Commerce,**
S. D. Road, Secunderabad.
- Oriental Bank of Commerce,**
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
- SHARE TRANSFER AGENTS : **XL Softech Systems Limited**
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 20th Annual General Meeting of the Members of **MANJEERA CONSTRUCTIONS LIMITED** will be held on Saturday, the 29th September, 2007 at 11.00 A.M. at Aditya Park Inn Hotel, Ameerpet, Hyderabad-500 038 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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 appoint a Director in place of Mr. G Shivaleelanand, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and approve the declaration of dividend for the Financial year ended 31st March, 2007.
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 Increasing the borrowing powers of the Company.

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

“**RESOLVED THAT** in supersession of earlier

resolution(s) passed in this regard, and pursuant to section 293 (1) (d) and other applicable provisions, if any of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board or Committee of Directors of the Company to borrow such sums of monies (including by way of debentures, secured or unsecured) loans or otherwise for the purpose of business of the Company at any time or from time to time on such terms and conditions as the Board / Committee of Directors may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (a part of temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of paid up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, provided that the total amounts up to which the monies may be borrowed by the Board / Committee of Directors shall not at any time exceed an amount of Rs.250.00 crores.”

Item No. 6 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, in partial modification of the Resolution Passed at the 18th Annual General Meeting of the company held on 30.09.2005 and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to increase the remuneration from Rs. 75,000/- to Rs.2,50,000/- per month to Mr. G Yoganand, Managing Director of the Company,

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with effect from 27th June 2007 till the expiry of his present term of office i.e., 30th June 2010 and that the other existing terms and conditions of the appointment, remain unchanged.”

“FURTHER RESOLVED THAT, notwithstanding anything contained to the contrary herein, where in any financial year during the currency of the tenure of Mr. G Yoganand, if the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, allowances, and perquisites within the limits as laid down under Sections 198, 309, 310 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as in force from time to time.”

Item No. 7 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 amend Article 71 of the Articles of Association of the Company as follows :

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.2500/- 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.

Item No. 8 Consideration and approval of equity investment

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

“RESOLVED that pursuant to the provisions of section 372A and other applicable provisions , if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as (the Board) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to invest by way of subscription, purchase or otherwise shares / Debentures / any other instruments upto the limits as detailed below:

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Sl.No.	Name of the Company / Body Corporate in which the investment is proposed to be made	Nature of the investments	Amount (Rs. in Lakhs)
1	Manjeera Retail Holdings Private Limited	Equity shares	2000.00
2	G M Infra Ventures Private Limited	Equity shares	500.00
3	G M Infra Ventures Private Limited	Debentures	1000.00

By order of the Board of Directors

Place: Hyderabad
Date: 30.07.2007

S Brahmaiah
Company Secretary

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 himself 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, Sager 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 Tuesday, the 25th September'07 to 29th September'07(both days inclusive) for the purpose of payment of Dividend to those members whose names stand on the Register of Members as on 25th September,07. 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 25th September'07 as per the details furnished by the Depositories for this purpose.

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

Item No. 5.

In order to fund the expanded operations of the Company, it is proposed to raise required funds by way of borrowings from Banks and Financial Institutions.

As per section 293 (1)(d) of the Companies Act, 1956, the Board can borrow funds from Banks or Financial Institutions up to paid up share capital and free reserves of the company, any borrowings in excess of the paid up share capital and free reserves requires the approval of shareholders of the company, hence this resolution.

Directors recommend the resolution for your approval.

None of the Directors of the Company is interested / concerned in the resolution except as members of the Company.

Item No. 6.

Mr. G Yoganand was re-appointed as the 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 18th Annual General Meeting held on 30.09.2005.

In order to compensate Mr. G Yoganand, Managing Director of the Company in line with prevailing industry standards and considering the increased operations of the Company, it is proposed to increase the remuneration payable to him from the existing Rs. Rs.75000/- plus perquisites to Rs.2,50,000/- plus perquisites as mentioned in the resolution. The increase in remuneration will be effective from 27th June 2007 till the expiry of his present term of office i.e. 30th June 2010. The payment of increased remuneration as aforesaid requires approval of the members under the

provisions of the Companies Act, 1956, hence this resolution.

Directors recommend the resolution for your approval.

None of the Directors of the Company except Mr. G Yoganand, Managing Director is interested / concerned in the resolution except as members of the Company.

Item No. 7.

Keeping in view the volume of business to be transacted at the Board / Committee Meetings of the Company, the Company proposes to pay increased sitting fee as mentioned in resolution for each Board / Committee meetings duly attended by the Directors, hence this resolution is required to be approved by the members.

Directors recommend the resolution for your approval.

Item No. 8

Under section 372A of the Companies Act, 1956, the Board of Directors of a Public Company cannot except with the prior approval members of the Company in General Meeting, acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding 60 % paid up share capital and free reserves or 100% of free reserves whichever is more.

The Company is the designated successful bidder from Andhra Pradesh Housing Board to develop two sites measuring approx. Ac.7.04 and Ac.3.215 respectively at Kukatpally located on 120ft wide Road connecting JNTU and Hi-tech city. The Developmental Rights have been awarded by APHB to the company vide development agreements entered with APHB. Your company is desirous to execute the said project in Ac.8.295 through SPV i.e Manjeera Retail

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Holdings Private Limited, while the balance area of Ac.1.96 is proposed to be developed by your Company itself.

The Project to be executed in the SPV envisages construction of about 17 lacs sft of Built up area of Office, Retail/Multiplex/ Commercial/Residential apart from Car Parking space of about 7.5 lac sft. The Project Cost is to the order of Rs.518.81 Crs and to enable the SPV to execute the said project, your Company to invest Rs.45 Crs(Constituting 51 % of capital of SPV) and rest of the 49 % capital of Rs.43.23 Crs in SPV to be invested by Trinity Capital (Six) Limited, a Company created for the purpose of investing in Real Estate and Real Estate related entities across India and incorporated and existing under the laws of Mauritius and having registered office at Manor House, First Floor, CNR St. George / Chazel Streets, Mauritius. Further Trinity Capital (Six) Limited to subscribe to the SPV FCD's to the tune of Rs.36.77 Crs.

To enable the SPV to execute the said project, the Company has already invested Rs. 30.00 crores , when M/s. Manjeera Retail Holdings Private Limited is the Wholly Owned Subsidiary of the Company and further the Company proposes to invest additional funds of Rs. 15.00 crores as equity and depending on the requirements of the SPV, further funds upto Rs. 5.00 Crores be invested by way of equity shares in the SPV.

Further your company proposes to take up another project to purchase the cold shell of a Commercial Complex with Infrastructure at Gachibowli admeasuring about 4,00,000 sft with car parking space admeasuring about 2,00,000 sft for development of Commercial & Office space with an estimated cost of Rs. 100.00 crores to be executed in an SPV-GM Infra Ventures Private Limited along with M/s. Gowra Ventures Private Limited and others . The cost of the Project will be financed

through equity/preference capital/Optionally Fully Convertible Debentures/unsecured loans , term loans from Banks/Financial Institutions and advances from buyers and the project is expected to be completed within a period of two years.

To enable the SPV to execute the said project, your Company proposes to invest upto Rs. 500.00 lakhs by way of equity shares and upto Rs. 1000.00 lakhs by way of Optionally Fully Convertible Debentures or any other instruments in the SPV.

To enable the Directors to make investments in said SPV Companies, which exceeds the limits specified under section 372A of the Companies Act, 1956, the Company seeks the authorization of the Shareholders.

The Directors recommend the resolution for approval of shareholders.

None of the Directors of the company are interested in the above resolution except as members of the Company.

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

1. Name of the Director: Mr. G Shivaleelanand
2. Date of birth : 10.05.1968
3. Qualifications : B. Arch
4. Experience : 15 years of experience in Project Evaluations, Planning and Management
5. Other Directorships : Nil

By order of the Board of Directors

Place: Hyderabad
Date: 30.07.2007

S Brahmaiah
Company Secretary

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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 20th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2007.

1. FINANCIAL RESULTS:

The Financial Results for the year 2006-07 in comparison with 2005-06 are presented herein below.

Rs.In Lacs

Particulars	FY 2005-06	FY 2006-07
Sales & Other Income	755.99	2033.44
Less: Total Expenditure	603.46	1549.88
Profit after Interest but before Depreciation and tax	170.84	505.68
Depreciation	18.31	22.12
Provision for Tax	34.94	16.65
Profit after Tax	117.59	466.92
Proposed Dividend	40.02	60.04
Tax on proposed Dividend	5.61	10.20
Reserves & Surplus	207.77	504.37
Paid Up Equity share Capital	400.27	500.34

2. OPERATIONS:

Your company has achieved turnover of Rs. 2033.44 lacs as against the turnover of Rs. 755.99 lacs in previous year 2005-2006 registering a growth of 168.98%. The net profit after tax stood at Rs. 466.92 lacs as against Rs. 117.59 lacs in the previous year 2005-06 registering 297.07% growth.

3. DIVIDEND

Keeping in view of the sound financial position of the Company, your Directors are happy to recommend a dividend of 12% on the paid up Equity Share capital of the Company for the year ending 31st March 2007.

4. RIGHTS ISSUE:

As approved by the Members at the Annual General Meeting held on 30th June, 2006

to issue Equity Shares on Rights basis to the existing Shareholders in the ratio of 3 equity shares of Rs.10 each for every existing 2 equity shares of Rs.10/- each held, your Company had obtained Observations letter from SEBI on 19th July, 2007 while obtaining approval for opening of the proposed Rights Issue for subscription within a period of 3 months.

Accordingly, your Company had made arrangements for opening of the Rights Issue for subscription during the month of September'07.

5. DIRECTORS:

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

6. PUBLIC DEPOSITS:

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

7. 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

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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.

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

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

9. 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.

10. SUBSIDIARY COMPANY

Manjeera Retail Holdings Private Limited: The Company has undertaken a project at Kukatpally envisaging construction of about 17 lacs sft of Built up area of Office, Retail/Multiplex/ Commercial/Residential apart from Car Parking space of about 7.5 lac sft.. The total estimated cost of the project is about Rs. 518.81 crores and the project is expected to be completed within a period of three years.

11. AUDITORS:

M/s. A.K.SABAT & CO., Chartered Accountants, Hyderabad, the present 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 proposing to be re-appointed to the effect

that their reappointment if made, would be in conformity with the limits specified in the said section.

Directors' reply to the auditors qualification in their report

The short term funds deployed for such long term investment are mainly advances from customers which are in the normal course of the business of the Company. The Company is going for rights issue very shortly and as a temporary accommodation, short term funds are deployed for long term investments in the subsidiary Company. Such long term investments in the subsidiary Company is again for short term project of duration of 3 to 4 years.

12. BONUS ISSUE AND CAPITAL INCREASE

During the year under review, a sum of Rs. 1,00,06,750 /- being the part of the undistributed profits of the company standing to the credit of its reserves & surplus, was capitalized by issue of 10,00,675 fully paid up bonus equity shares of Rs. 10/- each in the ratio of one new equity share for every four equity shares held.

The said bonus shares were allotted and got listed on the stock exchanges where the company's shares were listed. The bonus issue resulted in increase of the paid up capital of the company from Rs.4,00,27,000/- To Rs. 5,00,33,750/-

13. 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.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

As the Company is not engaged in the manufacturing activity and at present

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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 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.

Companies, Municipal Corporation of Hyderabad, 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 employees at all levels.

For and on behalf of the Board

15. INDUSTRIAL RELATIONS

The Industrial Relations during the year has been cordial.

G.YOGANAND
Managing Director

G SHIVALEELANAND
Director

16. ACKNOWLEDGEMENT

Your Directors wish to convey their sincere thanks to all the Bankers, Registrar of

Place: Hyderabad
Date: 30.07.2007

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 member- ships 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

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

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B) BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS:

The Board of the Company met 7 (Seven) times during the last year i.e. 25th May 2006, 1st June, 2006, 31st July, 2006, 5th August, 2006, 12th October 2006, 31st January 2007 and 22nd February 2007. The company placed before the Board the audited and un audited results, annual operating plans and budgets and performance of the company from time to time. Information, which is materially important is placed before the Board as and when the same takes place.

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

Director	No. of Board meetings held during the year.	Attendance at Board meetings	Attendance at Annual General Meeting.
Mr. G.Yoganand	7	7	Yes
Mr. G.Shivaleelanand	7	7	Yes
Mr. J.Ramesh	7	2	Yes
Mr. K.Krishna Murthy	7	7	Yes

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, discussion of the audit plan, 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 meetings of the Audit Committee was as follows:

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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	1	Yes

The said meetings were held on 25th May 2006, 31st July 2006, 12th October 2006 and 31st January 2007.

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 J.Ramesh
Sri K.Krishna Murthy

Name & Designation of the Compliance officer:

Mr. S Brahmaiah
Company Secretary
Manjeera Constructions Limited
304, Aditya Trade Centre, Ameerpet,
Hyderabad

5. 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 2006-07 (Amount in Rs.)			
				Sitting fees	Salary	Com- mission	Total
G.Yoganand	Related to G.shivaleel anand	Managing Director	Nil	Nil	9,00,000	Nil	9,00,000
G.Shivaleelanand	Related to MD	Non executive	Nil	3,500	Nil	Nil	3,500
J.Ramesh	None	Independent	Nil	1,000	Nil	Nil	1,000
K.Krishna Murthy	None	Independent	Nil	3,500	Nil	Nil	3,500

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6. 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. 5 above.

7. NOTES ON DIRECTORS APPOINTMENT/ RE-APPOINTMENT:

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

8. 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 share transfer committee to RTA i.e. XL Softech Systems Limited which will effect transfer, transmissions etc of the shares of the Company in physical segment.

9. SHAREHOLDERS INFORMATION:

- Annual General meeting
Date and time : Saturday, the 29th September,2007 at 11.00 A.M
Venue : Aditya Park Inn Hotel
Ameerpet, Hyderabad
- Financial Calendar :
Financial Reporting for:

Quarter ending June, 30 2007	Last week of July 07
Quarter ending September 30 2007	Last week of October 07
Quarter ending December 31 2007	Last week of January, 08
Quarter ending March, 31st 2008	Last week of April, 08
Annual general meeting for FY ended 31 st March, 2007	29-09-2007

- Dates of Book Closure : 25th September,2007 to 29th September,2007
- Registered Office : 304, Aditya Trade Centre,
Ameerpet, Hyderabad - 500 038.
- Equity shares are listed at : The Hyderabad Stock Exchange Limited
The Madras Stock Exchange Limited
The Ahmedabad Stock Exchange Limited
The Bangalore Stock Exchange Limited

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6. Registrars and share transfer

Agents : XL Softech Systems 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 : All complaints received from shareholders have been cleared within the financial year. The complaints are generally replied to with in 10 days from their lodgement with the company.

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

AGM	YEAR	VENUE	DATE	TIME
1	2006	Aditya Park Inn Hotel, Ameerpet, Hyderabad	30 th June 2006	11.00 A M
2	2005	Aditya Park Inn Hotel, Ameerpet, Hyderabad	30 th September 2005	11.00 A.M.
3	2004	Registered Office	30 th September 2004	11.00 A.M.

10. **POSTAL BALLOT:**

No resolution requiring a postal ballot under section 192A of the Companies Act 1956 was placed before the last AGM.

Special resolution under section 372A of the Companies Act, 1956 for extending the corporate guarantee and / or providing the securities including the pledge of shares, has been passed through postal ballot by the members of the Company on 11.06.2007.

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

11. **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**12. Distribution of shareholding as at 31st March, 2007**

Shareholdings of nominal value of			Shareholders		Share Amount	
(Rs.)			Nos	%	In Rs.	%
Upto	5,000	:	285	63.62	352010	0.70
5,001 -	10,000	:	63	14.06	421870	0.84
10,001 -	20,000	:	50	11.16	669370	1.34
20,001 -	30,000	:	6	1.34	151500	0.30
30,001 -	40,000	:	7	1.56	242500	0.48
40,001 -	50,000	:	1	0.22	50000	0.10
50,001 -	1,00,000	:	6	1.34	378750	0.76
1,00,001 &	above	:	30	6.70	47767750	95.47
Total			448	100.00	50033750	100.00

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF 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 31st March, 2007 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. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance of the conditions of the certificate of Corporate Governance as stipulated in the said clause. It was neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us the representations made by the directors' and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

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

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

D.VIJAYA KUMAR
Partner

Membership No.51961

Place: Hyderabad

Date: 30.07.2007

MANJEERA CONSTRUCTIONS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

INDUSTRY STRUCTURE, DEVELOPMENT:

India's GDP increased from 8.4% in 2005-06 to 9.4% in 2006-07, making it the fastest growing economy after China for the following reasons:

- ◆ Changing composition of GDP; reduced dependence on agriculture and growing industrial and services sectors
- ◆ Strong outsourcing growth momentum – IT and financial services, healthcare and manufacturing
- ◆ Strong improvement in the external sector and a gradual fiscal deficit correction

HOUSING & REAL ESTATE SECTOR:

The Indian construction industry can be broadly divided into three segments:

1. Infrastructure segment
2. Industrial segment
3. Housing segment

Overall, the construction industry is highly fragmented; the industry's low capital-intensity and low entry barriers are primarily responsible for this. The fragmentation is, however, limited in the infrastructure and industrial projects segments as compared to the housing sector since the former require more specialized skill sets.

Government of India has been emphasizing on the growth of construction industry and with this view in mind Government has been allocating higher resources to the construction industry covering infrastructure, industrial and housing segments which can be substantiated by the fact that the allocation to the Tenth Plan (2002-07) was increased by 71% to Rs. 4529.50 bn from Rs. 2648.70 bn (actually spent) for the Ninth Plan (1997-01).

The Indian housing industry is highly fragmented, with the unorganized sector, comprising small builders and contractors, accounting for over 70 per cent of the housing units constructed. The organized sector comprises large builders and government or government-affiliated entities.

The investment in housing has steadily risen over the Plan period from modest investment of Rs. 11.50 bn in the First Plan (1951-56) to Rs. 7263 bn in the Tenth Plan (2002-07).

Such growth is envisaged owing to the housing shortage, currently faced. The Tenth Five Year Plan on urban development has estimated an additional requirement of about 4.5 million houses each year during the Plan period (2002- 07). The National Buildings Organization (NBO) has estimated urban-housing shortage of 10.8 mn dwelling Units. With this level of shortage it is estimated that the urban housing sector alone would require a total investment of Rs. 11,567 bn. during the next five years. The total fund requirement, including requirement for rural housing would be Rs. 16, 000 bn. whereas the total availability is Rs. 7,200 bn. only from the formal sector.

MANJEERA CONSTRUCTIONS LIMITED

The main growth drivers of the housing segment are as follows:

1. Resurgent Indian Economy
2. Changing Demographics
3. Increasing percentage of population in age group of 25 – 44
4. Shrinking household size augments demand for houses
5. Increasing median home size
6. Increasing participation by banks/ housing finance companies
7. Shift in consumer preference from rented houses to owned houses
8. Changing profile of developers/ builders
9. Fiscal incentives

Your Company carries out its construction activities in the housing, Commercial segments with a focal point of its activities in and around Hyderabad, a mega city and Capital of Andhra Pradesh.

OUT LOOK

Your Company independently as well in Joint Ventures currently has the following projects under construction/contract execution.

S. No.	Name of the Project	Locality	Approx. Built – up Area (sft)
1.	APHB,Kukatpally	Kukatapally,Hyderabad	11,41,500
2.	APHB,Kukatpally	Kukatapally,Hyderabad	5,96,000
3.	Chitra Layout	Sarooranagar	2,44,000
4.	CGEWHO	Bhubaneshwar	3,34,075
5.	CGEWHO	Hydershahkote	5,06,883
6.	Smart Homes	Quthbullapur	1,02,000
7.	Hometel	Hyderabad	87,732

Your Company is also planning to diversify its business activities into infrastructure areas like road, dams, bridges, high ways, Wind Energy and environmental activities.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The turnover during the year under review was Rs. 2033.44 lacs as against Rs. 755.99 lacs in 2005-2006. The net profit after tax stood at Rs. 466.92 lacs as against Rs. 117.59 lacs in the in the previous 2005-06.

SEGMENT WISE PERFORMANCE

The company is presently operating in only one segment of the business of construction.

MANJEERA CONSTRUCTIONS LIMITED

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company is committed to maintain high standards of internal control and procedures. To meet the demands of good corporate governance, the Company has adopted globally accepted accounting practices.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your company continues to invest in the up gradation of the quality of human resources, which makes the decisive difference in this service industry. Your Company enjoys healthy relationships with its customers, investors, employees, Banks, Financial Institutions and various State and Central government departments.

CAUTIONARY STATEMENT

Statements contained in the Management Discussion and Analysis Report and Directors Report describing estimates, projections, and expectations are “forward looking” statements 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.

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, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March 2007, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - 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

(D.VIJAYA KUMAR)

PARTNER

Membership No: 51961

Place : Hyderabad

Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

To

The Members of Manjeera Constructions Limited on the accounts for the year ended 31st March'2007.

- i) On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:
- 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) 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 is maintaining proper records of inventory. No Material discrepancies were noticed on physical verification.
- iii) a) The Company has taken 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.20,83,07,372 and year-end balance of loans taken from such parties is Rs.13,54,47,701.
- b) The rate of interest and other terms and conditions of loans taken by the Company are not prima-facie prejudicial to the interest of the Company.
 - c) The interest payments and Principal repayment of loan taken is as per the terms and conditions of loan.
 - d) There is no overdue amount in respect of loans taken by the Company.
- iv) There is an adequate internal control system commensurate with size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
- v) a) As explained to us, 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 where such market prices are available.
- vi) The Company has not accepted deposits from the public to which provisions of

MANJEERA CONSTRUCTIONS LIMITED

- section 58A and 58AA of the Companies Act, 1956 and the rules framed there under apply.
- 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, and other statutory dues as applicable with the appropriate authorities.
- (b) There are no dues of sales 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, 2007 and has not incurred cash losses during 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 loan 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 is not a dealer or trader in securities.
- xv) In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are 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) On an overall examination of the Balance Sheet of the Company, the Company has utilised Rs 21,27,25,488 from short term sources towards long term investment in shares of subsidiary company.
- 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 Company has not raised money during the year from the public.
- xxi) No fraud on or by the Company has been noticed or reported.

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

(D.VIJAYA KUMAR)
PARTNER
Membership No: 51961

Place: Hyderabad.

Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

Schedule	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SOURCES OF FUNDS		
1 Shareholders funds		
a. Share capital	1	50033750
b. Reserves and surplus	2	50436993
		<u>100470743</u>
2 Loan funds		
a. Secured loans	3	10817312
b. Unsecured loans	4	137335874
		<u>148153186</u>
3 Deferred tax liability		909059
TOTAL		<u>140776833</u>
APPLICATION OF FUNDS		
1 Fixed assets	5	
a) Gross block		27600458
b) Less: Depreciation		6594545
c) Net block		<u>21005913</u>
2 Investments	6	300399960
3 Current assets, loans and advances(A)		
a) Inventories	7	146184186
b) Sundry debtors	8	16174740
c) Cash and bank balances	9	4351113
d) Loans and advances	10	33208016
		<u>199918055</u>
Less : Current liabilities and provisions (B)		
a) Current liabilities	11	263146278
b) Provisions	12	11252332
		<u>274398610</u>
Net current assets (A) - (B)		(74480554)
4 Miscellaneous expenditure	13	2607669
(to the extent not written off or adjusted)		
TOTAL		<u>119630512</u>
		<u>249532988</u>
Significant Accounting policies and Notes on the 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

S. Brahmaiah
Company Secretary

(D.VIJAYA KUMAR)
Partner

Membership No. : 51961

Place : HYDERABAD

Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH ,2007

	Schedule	Year ended 31.03.2007 Rs	Year ended 31.03.2006 Rs
INCOME			
Sale of space - Manjeera Heights		162,466,430	25,434,781
Sale of flats/ plots		-	38,279,483
Contract receipts		39,560,544	8,523,419
Miscellaneous income	14	1,317,486	3,361,577
		<u>203,344,460</u>	<u>75,599,260</u>
EXPENDITURE			
Cost of space/flats / plots sold	15	118,358,702	48,082,621
Contract expenses	16	29,892,253	6,983,840
Administrative expenses	17	3,080,102	1,891,287
Finance charges	18	1,444,744	1,557,210
Depreciation		2,212,052	1,831,381
		<u>154,987,853</u>	<u>60,346,339</u>
Profit before tax		48,356,607	15,252,921
Income tax provision			
Current year		1,263,800	2,608,000
Earlier years provided		300,419	455,491
Deferred tax provided		13,380	344,258
Fringe benefit tax		87,342	86,000
Profit after tax		46,691,666	11,759,172
Balance profit brought forward from last year		14,140,475	11,945,382
Transferred for capitalisation of reserves		10,006,750	-
Provision for dividend		6,004,050	4,002,700
Provision for dividend tax		1,020,390	561,379
Transfer to General Reserve		7,500,000	5,000,000
Balance profit carried to balance sheet		36,300,951	14,140,475
Earnings per share - basic & diluted		9.13	2.80
Significant Accounting policies and Notes on the 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

S. Brahmaiah
Company Secretary

(D.VIJAYA KUMAR)
Partner

Membership No. : 51961

Place : HYDERABAD

Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE : 1 SHARE CAPITAL		
Authorised :		
2,50,00,000 (55,00,000) Nos. equity shares of Rs.10 each.	<u>250000000</u>	<u>55000000</u>
Issued, subscribed & paid up: 50,03,375 (40,02,700) Nos. equity shares of Rs.10 each fully paid up (Includes 10,00,675 Nos. Bonus shares issued on capitalisation of reserves)	<u>50033750</u>	<u>40027000</u>
SCHEDULE : 2 RESERVES AND SURPLUS		
General Reserve	14136042	6636042
Profit and Loss Account	<u>36300951</u>	<u>14140475</u>
	<u>50436993</u>	<u>20776517</u>
SCHEDULE : 3 SECURED LOANS		
Term loan from Housing Development Finance Corporation Ltd. (Secured by deposit of the title deed of leased office premises at Aditya Trade Centre, Ameerpet)	10817312	13221753
Term loan from Housing and Urban Development Corporation Ltd., (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)	–	30935211
	<u>10817312</u>	<u>44156964</u>
SCHEDULE : 4 UNSECURED LOANS		
Vehicle financiers	1888173	1528669
Intercorporate deposits (Amount repayable within 1 year Rs.13,94,86,500 - prev.year: Rs.3,41,92,982)	<u>135447701</u>	<u>33392005</u>
	<u>137335874</u>	<u>34920674</u>

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE 5: FIXED ASSETS (Rupees)

ASSET	COST				DEPRECIATION				NET BLOCK	
	Gross Block As at 01-04-2006 Rs.	Additions Rs.	Deductions Rs.	Gross Block As at 31-03-2007 Rs.	Upto 01-04-06 Rs.	For 2006-07 Rs.	Deductions 2006-07 Rs.	Upto 31-03-07 Rs.	As at 31-03-07 Rs.	As at 31-03-06 Rs.
Plant & Machinery	2,519,383	217,034	76,237	2,660,180	1,821,132	107,621	57,298	1,871,455	788,725	698,251
Building	16,433,097	-	159,184	16,273,913	782,158	774,600	240	1,556,518	14,717,395	15,650,939
Electrical equipment	1,463,389	-	-	1,463,389	308,952	160,582	-	469,534	993,855	1,154,437
Office equipment	450,146	264,480	-	714,626	128,672	65,465	-	194,137	520,489	321,474
Furniture & fixtures	675,855	92,067	-	767,922	208,448	91,160	-	299,608	468,314	467,407
Computers	986,167	688,817	-	1,674,984	535,950	360,559	-	896,509	778,475	450,217
Vehicles	2,658,355	1,387,089	-	4,045,444	654,719	652,065	-	1,306,784	2,738,660	2,003,636
TOTAL	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	20,746,361
Previous Year	19,546,453	7,294,054	1,654,115	25,186,392	3,838,166	1,831,381	1,229,516	4,440,031	20,746,361	

MANJEERA CONSTRUCTIONS LIMITED

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE : 6 INVESTMENTS		
(Long term,at cost and unquoted)		
39,996 equity shares of Rs.10 each fully paid up in Ambica Chennakesava Projects Limited	399960	399,960
3,00,00,000 (prev.year:Nil) equity shares of Rs. 10 each fully paid up in subsidiary - Manjeera Retail holdings Private Limited	<u>300000000</u>	<u>–</u>
	<u>300399960</u>	<u>399960</u>
SCHEDULE : 7 INVENTORIES		
(At lower of cost or net realisable value as certified by the management)		
Property development :		
Manjeera Heights Project (Plot No.1,2 & 3)	49556984	–
Manjeera Heights Project (Plot No.4)	8077818	102810542
CGEWHO - Bhubhaneshwar Project	50102868	–
Management services - Kukatpally project	17821049	372015
Smart Homes project	12759836	–
Bangalore Project	4115756	3712922
Plot No.34 (HUDA) project	2434794	2283184
Hometel project	667316	143630
Manjeera Diamond Towers project	<u>647765</u>	<u>–</u>
	<u>146184186</u>	<u>109322293</u>
SCHEDULE : 8 SUNDRY DEBTORS		
(Unsecured and considered good)		
Outstanding for a period exceeding six months	5547286	–
Others	<u>10627454</u>	<u>10537572</u>
	<u>16174740</u>	<u>10537572</u>
SCHEDULE : 9 CASH AND BANK BALANCES		
Cash on Hand	311385	274346
Balance with scheduled banks:		
In Current account	1020985	209483
In Margin deposit	<u>3018743</u>	<u>1614374</u>
	<u>4351113</u>	<u>2098203</u>
SCHEDULE :10 LOANS AND ADVANCES		
(Unsecured,considered good)		
Advance for acquisition of land	22134000	23907726
Advances recoverable in cash or in kind	3853906	3619251
Deposits	372798	291088
Income tax paid & T.D.S	<u>6847312</u>	<u>2983056</u>
	<u>33208016</u>	<u>30801121</u>

MANJEERA CONSTRUCTIONS LIMITED

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE: 11 CURRENT LIABILITIES		
Advances from customers	144014610	11178081
Advances - Joint ventures	7603380	-
Sundry creditors	11374204	11537491
Other liabilities	98229124	2885553
Interest accrued but not due	8855	5285
Book overdraft with scheduled bank in current account	1916106	-
	<u>263146278</u>	<u>25606411</u>
SCHEDULE: 12 PROVISIONS		
Provision for dividend	6004050	4002700
Provision for dividend Tax	1020390	561379
Provision for fringe benefit tax	73789	86000
Provision for income Tax	4154103	2872187
	<u>11252332</u>	<u>7522266</u>
SCHEDULE: 13 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary expenses	1267500	-
written off during the year	253500	-
(A)	<u>1014000</u>	<u>-</u>
Rights Issue expenses	1593669	142048
written off during the year	-	142048
(B)	<u>1593669</u>	<u>-</u>
Total	<u>2607669</u>	<u>-</u>
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT		
	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE : 14 MISCELLANEOUS INCOME		
Rent receipts	-	200278
Interest receipts	311085	92688
Profit on sale of investments	-	3000000
Assignment deed receipts	1000000	-
Profit on sale of fixed assets	6061	25401
Miscellaneous receipts	340	43210
	<u>1317486</u>	<u>3361577</u>

MANJEERA CONSTRUCTIONS LIMITED

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE : 15 COST OF FLATS / PLOTS SOLD		
Manjeera Heights Project	109175469	18083817
Add:Transferred from Schedule 17	7393891	2636156
Add:Transferred from Schedule 18	1789342	-
	118358702	20719973
Manjeera Residency (B & C Blocks) Project	-	7761516
Hydershakote Project	-	17327582
Manjeera Square Project	-	1634152
Manjeera Plaza Project	-	639398
	118358702	48082621
SCHEDULE : 16 CONTRACT EXPENSES		
MCH Road works	-	1370174
Interiors works	7449056	3992732
Hometel Project	22268225	1620934
Additional contract works	174972	-
	29892253	6983840
SCHEDULE: 17 ADMINISTRATIVE EXPENSES		
Advertisement	1107348	61016
Audit fee	217842	66294
Commission - others	-	25346
credits/ debits written back/off	(96,527)	420019
Director remuneration	914100	735000
Donations	50000	81116
Insurance	47516	52840
Legal fee & expenses	74386	49500
General expenses	355437	86532
Miscellaneous expenditure written off	253500	142048
Office maintenance	895271	408031
Property tax	130084	61793
Postage and telephones	428028	332349
Printing & stationery	294476	94686
Professional charges	581763	103340
Repairs & maintenance	174479	28694

MANJEERA CONSTRUCTIONS LIMITED

Registration charges	-	72271
Salaries and employee benefits	2748387	746838
Sales tax	107277	167536
Share expenses	322475	35428
Subscriptions & fees	89943	240424
Tender expenses	99736	59665
Travel & conveyance	1586533	401219
Vehicle maintenance	91940	55458
	<u>10473993</u>	<u>4527443</u>
Less: Transfer to Manjeera Heights Project - Schedule 15	<u>7393891</u>	<u>2636156</u>
	<u>3080102</u>	<u>1891287</u>

SCHEDULE: 18 FINANCE CHARGES

Bank charges & processing fees	44906	140156
Interest on term loan	3086616	1323405
Interest - vehicle financiers	101454	93648
Interest - overdraft	1110	-
	<u>3234086</u>	<u>1557210</u>
Less: Transfer to Manjeera Heights Project - Schedule 15	<u>1789342</u>	<u>-</u>
	<u>1444744</u>	<u>1557210</u>

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

A. Significant Accounting Policies:

1. Basis for preparation of financial statements:

The financial statements are prepared under the 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.

2. Use of Accounting estimates

The preparation of the 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. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, income taxes. 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. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis and provision is made for all known losses and

liabilities.

4. Revenue recognition:

i) (a) On property development activity (own projects)

Income from property development is recognized upon handing over possession of space/flats to the prospective 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 construction contracts (undertaken as contractors)

The Company follows percentage completion method for accounting of construction contracts undertaken.

(c) On development activity (as developer)

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.

ii) Rent Receipts are recognised on accrual basis.

iii) Interest on deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.

iv) Property management services are recognised on rendering services and billing thereof.

v) Dividend income is accounted when the right to receive dividend is established.

MANJEERA CONSTRUCTIONS LIMITED

5. Fixed assets:
Fixed assets are stated at cost of acquisition less accumulated depreciation.
6. Depreciation:
Depreciation on assets is provided on written down value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
7. Investments:
Long-term investments are stated and carried at cost less provision for permanent diminution in value of such investments.
8. Inventories:
Inventories are valued at lower of cost or net realisable value. The cost of property development including own projects, work uncertified and commercial space held for sale include direct material cost, direct labour cost, borrowing cost and appropriate overheads.
9. 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.
10. Miscellaneous expenditure:
Preliminary and Rights issue expenses are being amortised over a period of five years.
11. Retirement benefits:
The gratuity liability is determined on the basis of actuarial valuation but not provided in the books of account
12. Borrowing costs:
Borrowing costs on funds borrowed 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.
Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred.
13. Income tax:
Current tax is determined as the amount of tax payable to the tax authorities in respect of taxable income for the year. 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. Pre-operative expenditure:
Pre-operative expenditure is allocated to fixed assets relating to the concerned project in the year of commencement of the project. The amount to be capitalized is determined in accordance with the accepted accounting principles. Expenditure on discarded projects is written off through Profit and Loss Account.
16. Prior period items:
Prior period items are included in the respective heads of account and material

MANJEERA CONSTRUCTIONS LIMITED

items are disclosed by way of notes to accounts.

B. Notes on the Accounts:

1. During the year the Company
 - a) has increased the authorized share capital from Rs 550 Lacs to Rs.2500Lacs.
 - b) has issued 10,00,675 equity shares of Rs.10 each aggregating to Rs. 1,00,06,750 as Bonus shares on capitalisation of reserves.
 - c) Pursuant to Debenture cum Share subscription and shareholders agreement with Trinity Capital (six) Limited and Manjeera Retail Holdings Private Limited, invested Rs.300 Lacs equity shares of Rs.10 each

amounting Rs.3000 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

2. Contingent liabilities:

- a) Bank Guarantees Rs.191.20 Lac (Previous year Rs.90 Lac)
- b) APGST payable Rs.3,45,181 for the financial year 2000-01, 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 (Flats):

	Sq.ft.	Current year		Sft	Previous year	
		Nos.	Value (Rs.)		Nos.	Value (Rs.)
Opening Stock	-	-	-	3147	2	2217314
Additions made	135551	102	11,72,53,287	32607	24	20719973
Cost of sales	117431	89	10,91,75,469	35754	26	22937287
Closing Stock	18120	13	80,77,818			Nil

ii) Contract Receipts:

	Current year Rs.	Previous year Rs.
Interiors works & civil constn.,	3,95,60,944	85,23,419

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.

	31.03.2007 (Rs.)	31.03.2006 (Rs.)
Contract revenue recognized during the year	9,71,68,974	1,50,23,200
Contract costs incurred and recognized profits	7,06,54,826	1,18,13,157
Advances received, net of recoveries from progressive bills	2,27,76,912	-
Gross amount due from customers from contract works	80,03,740	19,63,566
Gross amounts due to customers for contract work	Nil	Nil

MANJEERA CONSTRUCTIONS LIMITED

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.12,63,800 for the current period.
 - ii) Income tax Assessments have been completed upto the Assessment year 2005-2006.
 - iii) Profit before tax includes Rs.4,41,07,728 related to Manjeera Heights project and is claimed as deductible under section 80-IB of Income Tax Act from the Gross total income of the Company for the year under consideration.
6. As of 31st March, 2007, 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.9,14,100 (previous year Rs.7,35,000)
8. The Company has considered construction 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. Related party disclosures:
Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India is as follows:
 - A) Related parties and relationship:
 - i) Key management personnel
 - G Yoganand, Managing Director
 - G Shivaleelanand, Director
 - ii) Enterprises in which key Management personnel have significant influence:
 - Manjeera Hotels & Resorts Limited
 - Manjeera Estates 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
 - B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2007.

MANJEERA CONSTRUCTIONS LIMITED

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.	Rs. Joint Ventures (Previous year) Rs.
Directors Remuneration	9,14,100 (7,35,000)				
Professional Fee	53,45,513 (11,54,730)				
Assignment Income				10,00,000 Nil	
Inter Corporate Deposits received		13,54,47,701 (3,15,87,874)	Nil (18,04,131)		
Interest on Inter Corporate Deposits		Nil (9,26,862)	Nil (5,326)		
Contract Receipts		1,01,50,534 (51,00,000)	2,87,20,010 (20,08,640)		
Investment in Equity shares			(Nil) (3,99,960)	30,00,00,000 (Nil)	
Advance against Equity shares			30,46,156 (11,01,156)		
Sundry Debtors			Nil (19,63,566)		
Other Liabilities	23,57,040 (Nil)	55,201 (Nil)			
Sale of Shares	Nil (90,00,000)				
Advances from Customers			3,23,36,912 Nil		
Investments received from Joint ventures					76,03,380 (NIL)

MANJEERA CONSTRUCTIONS LIMITED

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

10. 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.9,09,058 as on 31-03-2007 on accounting of timing difference of depreciation. For the period under consideration Rs.13,380 has been added on account of depreciation in Profit and Loss account.
11. Audit Fees includes towards tax audit fees Rs.33,696, limited review fees Rs.26,938, certification work Rs.1,12,264 and statutory audit fees Rs.44,944.
12. As the Company's business activities falls within single segment viz., construction activity, the disclosure requirements of Accounting standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

13. Earnings per Share (EPS)

	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
Profit attributed to Equity shareholders	4,56,71,276	1,11,97,793
No of Equity shares (of Rs. 10 each including Bonus shares of 1000675)	5003375	4002700
Earnings per share (Basic & diluted)	9.13	2.80

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

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

16 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

S. Brahmaiah
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD

Date : 27.06.2007

Membership No. : 51961

MANJEERA CONSTRUCTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	Year ended 31.03.2007		Year ended 31.03.2006	
	Rs.	Rs.	Rs.	Rs.
A. Cash flows from operating activities				
Net Profit before taxation & Extrordinary item		48356607		12252921
Adjustments for :				
Depreciation	2212052		1831381	
Prior Period adjustment	(240)		0	
Misc. expenditure amortised	253500		142048	
Profit on sale of fixed assets	(6061)		(25401)	
Interest income	(311085)		(92688)	
Interest expense	3189180		1557210	
Profit on Sale of Investments credits written back	-		(3000000)	
	(96527)		-	
		5240819		412550
Operating Profit before working capital changes		53597426		12665471
Adjustments for changes in working capital :				
increase in Inventories	(36861893)		(31689670)	
increase in Trade receivables	(5637168)		(2575943)	
increase in other receivables	(2406895)		(16043226)	
increase in Advance from customers	132836529		8793231	
increase in Trade payable	(66761)		4514100	
increase in other liabilities	97259677	185123489	1679388	(35322120)
Cash generated from operations		238720915		(22656648)
Direct taxes paid (Net)		(943235)		3494912
Net cash from operating activities (A)		237777680		(19161736)
B. Cash flows from investing activities				
Purchase of fixed assets		(2649487)		(61262993)
Written back of fixed assets		159184		-
Investment in shares of subsidiary		(300000000)		(399960)
Proceeds from sale of Investments		-		9000000
Misc.expenditure incurred		(2861169)		-
Proceeds from sale of fixed assets		25000		450000
Advances received - Joint Ventures		7603380		-
Interest received		311085		92688
Cash flow before extraordinary item		(297412007)		3016435
Extraordinary Income (Profit on sale of Investments)		-		3000000
Net cash used in investing activities (B)		(297412007)		6016435
C. Cash flow from financing activities				
Unsecured loan receipts (Net)		359504		14228
Inter corporate deposits received		102055696		33392005
Dividend paid		(4002700)		-
Term loan repayments		(33339652)		(15335678)
Interest Paid		(3185610)		(1551925)
Net cash from financing activities (C)		61887237		14276032
Net increase in cash and cash equivalents (A+B+C)		2252910		1130731
Cash and cash equivalents at beginning of year		2098203		967472
Cash and cash equivalents at end of year		4351113		2098203

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.
3. Figures under brackets represent cash outflows.

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

For and on behalf of the Board of Directors

(D.VIJAYA KUMAR)
Partner
Membership No. : 51961

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

S. Brahmaiah
Company Secretary

Place : HYDERABAD

Date : 27.06.2007

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 : 31.03.2007

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

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

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

Total Liabilities		Total Assets	
Source of Funds:		Application of Funds:	
1. Paid-up Capital	50034	1 Net Fixed Assets	21006
2. Reserves & Surplus	50437	2 Investments	300399
3. Deferred tax liability	909	3. Net Current Assets	(74481)
4. Secured Loans	10817	4. Misc. Expenditure	2608
5. Unsecured Loans	137335		
TOTAL	249532	TOTAL	249532

IV Performance of Company (Amount in Rs.Thousands)

Turnover	203344	Profit after Tax	46692
Total Expenditure	154988	Earnings per share (Rs.)	9.13
Profit before tax	48356		

V. Generic names of the Three Principal products of the Company
(Code: 72200)

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

For and on behalf of the Board of Directors.

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

Place: Hyderabad
Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF 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, 2007 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the MANJEERA CONSTRUCTIONS LIMITED'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. 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.

4. On the basis of information and explanations given to us and in our opinion, the consolidated financial statements read together with the schedules and other notes thereon, give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Manjeera Constructions Limited and its subsidiary as at 31st March, 2007;
 - 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

(D.VIJAYA KUMAR)
PARTNER
Membership No: 51961

Place : Hyderabad
Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31.03.2007 Rs.
SOURCES OF FUNDS		
1 Shareholders funds		
a. Share capital	1	50033750
b. Reserves and surplus	2	49436993
		99470743
2 Loan funds		
a. Secured loans	3	10817312
b. Unsecured loans	4	382433874
		393251186
3 Minortiy Interest		288235290
4 Deferred tax liability		909059
	TOTAL	781866278
APPLICATION OF FUNDS		
1 Fixed assets	5	
a) Gross block		27645458
b) Less: Depreciation		6608045
c) Net block		21037413
2 Investments	6	399960
3 Current assets, loans and advances (A)		
a) Inventories	7	803642117
b) Sundry debtors	8	16174740
c) Cash and bank balances	9	59800782
d) Loans and advances	10	151886263
		1031503902
Less : Current liabilities and provisions (B)		
a) Current liabilities	11	265470088
b) Provisions	12	11314102
		276784190
Net current assets (A) - (B)		754719713
4 Miscellaneous expenditure (to the extent not written off or adjusted)	13	5709192
	TOTAL	781866278
Significant Accounting policies and Notes on the 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD

Membership No: 51961

Date : 27.06.2007

MANJEERA CONSTRUCTIONS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH ,2007

	Schedule	Year Ended 31.03.2007 Rs.
INCOME		
Sale of space - Manjeera Heights		162,466,430
Sale of flats/ plots		-
Contract receipts		39,560,544
Miscellaneous income	14	<u>317,486</u>
		<u>202,344,460</u>
EXPENDITURE		
Cost of space/flats / plots sold	15	118,358,702
Contract expenses	16	29,892,253
Administrative expenses	17	3,080,102
Finance charges	18	1,444,744
Depreciation		<u>2,212,052</u>
		<u>154,987,853</u>
Profit before tax		47,356,607
Income tax provision		
Current year		1,263,800
Earlier years provided		300,419
Deferred tax provided		13,380
Fringe benefit tax		87,342
Profit after tax		45,691,666
Balance profit brought forward from last year		14,140,475
Transferred for capitalisation of reserves		10,006,750
Provision for dividend		6,004,050
Provision for dividend tax		1,020,390
Transfer to General Reserve		7,500,000
Balance profit carried to balance sheet		35,300,951
Earnings per share - basic & diluted		8.93
Significant Accounting policies and Notes on the 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD
Date : 27.06.2007

Membership No: 51961

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2007 Rs.
SCHEDULE : 1 SHARE CAPITAL	
Authorised :	
2,50,00,000 Nos. equity shares of Rs.10 each.	<u>250000000</u>
Issued,subscribed & paid up:	
50,03,375 Nos. equity shares of Rs.10 each fully paid up (Includes 10,00,675 Nos. Bonus shares issued on capitalisation of reserves)	<u>50033750</u>
SCHEDULE : 2 RESERVES AND SURPLUS	
General Reserve	14136042
Profit and Loss Account	<u>35300951</u>
	<u>49436993</u>
SCHEDULE : 3 SECURED LOANS	
Term loan from Housing Development Finance Corporation Ltd. (Secured by deposit of the title deed of leased office premises at Aditya Trade Centre, Ameerpet)	<u>10817312</u>
SCHEDULE : 4 UNSECURED LOANS	
Vehicle financiers	1888173
Intercompany deposits	135447701
(Amount repayable within 1 year Rs.13,94,86,500 -)	
Cumulative mandatory convertible debentures :	245098000
2,45,098 14% Investor Debenture S2 of Rs.1000 each. (Amount repayable within one year Rs. NIL)	<u>382433874</u>

For and on behalf of the Board of Directors

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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD
Date : 27.06.2007

Membership No: 51961

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE 5: FIXED ASSETS (Rupees)

ASSET	COST			DEPRECIATION				NET BLOCK		
	Gross Block As at 01-04-2006 Rs	Additions Rs.	Deductions Rs.	Gross Block As at 31-03-2007 Rs	Upto 01-04-06 Rs.	For 2006-07 Rs.	Deductions 2006-07 Rs.	Upto 31-03-07 Rs.	As at 31-03-07 Rs.	As at 31-03-06 Rs.
Plant & Machinery	2,519,383	217,034	76,237	2,660,180	1,821,132	107,621	57,298	1,871,455	788,725	698,251
Building	16,433,097	-	159,184	16,273,913	782,158	774,600	240	1,556,518	14,717,395	15,650,939
Electrical equipment	1,463,389	-	-	1,463,389	308,952	160,582	-	469,534	993,855	1,154,437
Office equipment	450,146	264,480	-	714,626	128,672	65,465	-	194,137	520,489	321,474
Furniture & fixtures	675,855	92,067	-	7,67,922	208,448	91,160	-	299,608	468,314	467,407
Computers	986,167	733,817	-	1,719,984	535,950	374,059	-	910,009	809,975	450,217
Vehicles	2,658,355	1,387,089	-	4,045,444	654,719	652,065	-	1,306,784	2,738,660	2,003,636
TOTAL	25,186,392	2,694,487	235,421	27,645,458	4,440,031	2,225,552	57,538	6,608,045	21,037,413	20,746,361

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE : 6 INVESTMENTS

(Long term,at cost and unquoted)

39,996 equity shares of Rs.10 each fully

paid up in Ambica Chennakesava Projects Limited

399960**SCHEDULE : 7 INVENTORIES**

(At lower of cost or net realisable value

as certified by the management)

Property development :

Manjeera Heights Project (Plot No.1,2 & 3)

49556984

Manjeera Heights Project (Plot No.4)

8077818

CGEWHO - Bhubhaneshwar Project

50102868

Management services - Kukatpally project

17821049

Smart Homes project

12759836

Bangalore Project

4115756

Plot No.34 (HUDA) project

2434794

Hometel project

667316

Manjeera Diamond Towers project

647765

Property development - in progress (Kukatpally project)

657457931803642117**SCHEDULE : 8 SUNDRY DEBTORS**

(Unsecured and considered good)

Outstanding for a period exceeding six months

5547286

Others

10627454

16174740**SCHEDULE : 9 CASH AND BANK BALANCES**

Cash on Hand

362361

Balance with scheduled banks:

In Current account

3774538

In Margin deposit

55518743

Cheques on hand

145140

59800782**SCHEDULE :10 LOANS AND ADVANCES**

(Unsecured,considered good)

Advance for acquisition of land

22134000

Advances recoverable in cash or in kind

10201906

Deposits

372798

Income tax paid & T.D.S

6886950

Interest accrued on Term Deposits

148301

Advance - Land development fees

112142308151886263

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE: 11 CURRENT LIABILITIES

Advances from customers	144014610
Advances - Joint ventures	7603380
Sundry creditors	11416856
Other liabilities	98348048
Interest accrued but not due	2171089
Book overdraft with scheduled bank in current account	1916106
	265470088

SCHEDULE: 12 PROVISIONS

Provision for dividend	6004050
Provision for dividend Tax	1020390
Provision for fringe benefit tax	77399
Provision for income Tax	4212263
	11314102

SCHEDULE: 13 MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary expenses	5144403
written off during the year	1028880
(A)	4115523
Rights Issue expenses	1593669
written off during the year	-
(B)	1593669
Total	5709192

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year Ended
31.03.2007
Rs.

SCHEDULE : 14 MISCELLANEOUS INCOME

Rent receipts	-
Interest receipts	311085
Profit on sale of investments	-
Profit on sale of fixed assets	6061
Miscellaneous receipts	340
	317486

SCHEDULE : 15 COST OF FLATS / PLOTS SOLD

Manjeera Heights Project	109175469
Add: Transferred from Schedule 17	7393891
Add: Transferred from Schedule 18	1789342
	118358702

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE : 16 CONTRACT EXPENSES

MCH Road works	–
Interiors works	7449056
Hometel Project	22268225
Additional contract works	174972
	<u>29892253</u>

SCHEDULE: 17 ADMINISTRATIVE EXPENSES

Advertisement	1107348
Audit fee	217842
Commission - others	-
credits/ debits written back/off	(96,527)
Director remuneration	914100
Donations	50000
Insurance	47516
Legal fee & expenses	74386
General expenses	355437
Miscellaneous expenditure written off	253500
Office maintenance	895271
Property tax	130084
Postage and telephones	428028
Printing & stationery	294476
Professional charges	581763
Repairs & maintenance	174479
Registration charges	–
Salaries and employee benefits	2748387
Sales tax	107277
Share expenses	322475
Subscriptions & fees	89943
Tender expenses	99736
Travel & conveyance	1586533
Vehicle maintenance	91940
	<u>10473993</u>
Less: Transfer to Manjeera Heights Project - Schedule 15	<u>7393891</u>
	<u>3080102</u>

SCHEDULE: 18 FINANCE CHARGES

Bank charges & processing fees	44906
Interest on term loan	3086616
Interest - vehicle financiers	101454
Interest - overdraft	1110
	<u>3234086</u>
Less: Transfer to Manjeera Heights Project - Schedule 15	<u>1789342</u>
	<u>1444744</u>

MANJEERA CONSTRUCTIONS LIMITED

SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

A. Significant Accounting Policies:

1. Basis for preparation of consolidated financial statements:

The financial statements are prepared under the 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.

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 as per Accounting Standard 21 – Consolidated Financial Statements

2. Use of Accounting estimates

The preparation of the 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. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, income taxes. 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. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis and provision is made for all known losses and liabilities.

4. Revenue recognition:

- i) (a) On property development activity (own projects)

Income from property development is recognized upon handing over possession of space/flats to the prospective 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.

MANJEERA CONSTRUCTIONS LIMITED

- (b) On construction contracts (undertaken as contractors)
The Company follows percentage completion method for accounting of construction contracts undertaken.
- (c) On development activity (as developer) 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.
- ii) Rent Receipts are recognised on accrual basis.
- iii) Interest on deployment of surplus 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.
- 5. Fixed assets:**
Fixed assets are stated at cost of acquisition less accumulated depreciation.
- 6. Depreciation:**
Depreciation on assets is provided on written down value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
- 7. Investments:**
Long-term investments are stated and carried at cost less provision for permanent diminution in value of such investments.
- 8. Inventories:**
Inventories are valued at lower of cost or net realisable value. The cost of property development including own projects, work uncertified and commercial space held for sale include direct material cost, direct labour cost, borrowing cost and appropriate overheads.
- 9. 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.
- 10. Miscellaneous expenditure:**
Preliminary and Rights issue expenses are being amortised over a period of five years.
- 11. Retirement benefits:**
The gratuity liability is determined on the basis of actuarial valuation but not provided in the books of account
- 12. Borrowing costs:**
Borrowing costs on funds borrowed 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.
Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred.
- 13. Income tax:**
Current tax is determined as the amount of tax payable to the tax authorities in

respect of taxable income for the year. 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. Pre-operative expenditure:

Pre-operative expenditure is allocated to fixed assets relating to the concerned project in the year of commencement of the project. The amount to be capitalized is determined in accordance with the accepted accounting principles. Expenditure on discarded projects is written off through Profit and Loss Account.

16. 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.

17. Foreign currency transactions:

Assets and liabilities are transferred at the exchange rate prevailing on the Balance sheet date. Gains/Losses arising out of fluctuations in the exchange rate are recognized in the profit and loss account in the period in which they arise.

B. Notes on the Accounts:

1. During the year,
 - i) Holding company
 - a) has increased the authorized share capital from Rs 550 Lacs to Rs.2500Lacs.
 - b) has issued 10,00,675 equity shares of Rs.10 each aggregating to Rs. 1,00,06,750 as Bonus shares on capitalisation of reserves.
 - c) Pursuant to Debenture cum Share subscription and shareholders agreement with Trinity Capital (six) Limited and Manjeera Retail Holdings Private Limited, invested Rs.300 Lacs equity shares of Rs.10 each amounting Rs.3000 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

MANJEERA CONSTRUCTIONS LIMITED

ii) Subsidiary company

- i) has been reconstituted as a Special Purpose Vehicle (SPV) for implementation and development of shopping malls, multiplexes, office/retail complexes and residential apartments. The authorised share capital of the Company increased from Rs.125 Lacs to Rs.6,000 Lacs.
- ii) 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 equity share capital Rs.58,82,35,290 of the Company. Further Trinity Capital (six) Limited has contributed Rs.24,50,98,000 towards cumulative mandatory convertible 14% investor debentures S2 of the Company.
- iii) The SPV has been set up for the property development of 8.295 Acres originally assigned to Manjeera Constructions Limited by Andhra Pradesh Housing Board and development rights since transferred in favour of the Company.
- iv) has issued at par cumulative mandatory convertible 14% investor debentures S2 aggregating to Rs.24,50,98,000 as on date of issue. The Debenture holders have an option of converting these debentures into equity shares of the Company any time post expiry of 36 months from closing date as per debenture cum subscription and shareholders agreement.

2. Contingent liabilities:

- a) Bank Guarantees Rs.191.20 Lac (Previous year Rs.90 Lac)
- b) APGST payable Rs.3,45,181 for the financial year 2000-01, 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 (Flats):

	Sq.ft.	Current year		Previous year		
		Nos.	Value (Rs.)	Sft	Nos.	Value (Rs.)
Opening Stock	-	-	-	3147	2	2217314
Additions made	135551	102	11,72,53,287	32607	24	20719973
Cost of sales	117431	89	10,91,75,469	35754	26	22937287
Closing Stock	18120	13	80,77,818			Nil

ii) Contract Receipts:

	Current year Rs.	Previous year Rs.
Interiors works & civil constn.,	3,95,60,944	85,23,419

MANJEERA CONSTRUCTIONS LIMITED

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.

	31.03.2007 (Rs.)	31.03.2006 (Rs.)
Contract revenue recognized during the year	9,71,68,974	1,50,23,200
Contract costs incurred and recognized profits	7,06,54,826	1,18,13,157
Advances received, net of recoveries from progressive bills	2,27,76,912	-
Gross amount due from customers from contract works	80,03,740	19,63,566
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.13,21,960 for the current period.
- ii) Income tax Assessments have been completed upto the Assessment year 2005-2006.
- iii) Profit before tax includes Rs.4,41,07,728 related to Manjeera Heights project and is claimed as deductible under section 80-IB of Income Tax Act from the Gross total income of the Company for the year under consideration.
6. As of 31st March, 2007, 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.9,14,100 (previous year Rs.7,35,000)
8. The Company has considered construction 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. Related party disclosures:
Related party disclosures as required by Accounting Standard 18 of the Institute of Chartered Accountants of India is as follows:
- A) Related parties and relationship:
- i) Key management personnel
G Yoganand, Managing Director
G Shivaleelanand, Director
- ii) Enterprises in which key Management personnel have significant influence:
Manjeera Hotels & Resorts Limited
Manjeera Estates Private Limited
- iii) Associates:
Ashraya Hotels & Estates Private Limited

MANJEERA CONSTRUCTIONS LIMITED

Ambica Chennakesava Projects Limited
Trinity Capital (Six) Limited

v) Joint venture: Bharathi Infraprojects Private Limited

B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2007.

Nature of Transaction	Key Management Personnel Rs.	Enterprises in which key Mgt.personnel have significant influence Rs.	Associates Rs.	Joint Ventures year) Rs.
Directors Remuneration	9,14,100			
Professional Fee	72,53,593			
Inter Corporate Deposits received		13,54,47,701	Nil	
Contract Receipts		1,01,50,534	2,87,20,010	
Equity shares contribution received			28,82,35,290	
Debenture contribution received			24,50,98,000	
Interest on Debentures			21,62,234	
Other Liabilities	23,57,040	55,201		
Advances from Customers			3,23,36,912	
Investments received from Joint ventures				76,03,380
Other Advances			30,46,516	

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

10. 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.9,09,058 as on 31-03-2007 on accounting of timing difference of depreciation. For the period under consideration Rs.13,380 has been added on account of depreciation in Profit and Loss account.

MANJEERA CONSTRUCTIONS LIMITED

11. Audit Fees includes towards tax audit fees Rs.33,696, limited review fees Rs.26,938, certification work Rs.1,12,264 and statutory audit fees Rs.44,944.

12. As the Company's business activities falls within single segment viz., construction activity, the disclosure requirements of Accounting standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

13. Earnings per Share (EPS)

	Year ended 31.03.2007	Year ended 31.03.2006
Profit attributed to Equity shareholders	Rs.4,56,71,276	Rs. 1,11,97,793
No of Equity shares (of Rs. 10 each including Bonus shares of 1000675)	5003375	4002700
Earnings per share (Basic & diluted)	Rs.8.93	Rs. 2.80

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

15 This is the first year that consolidated statements are required to be presented, hence previous period figures are not given. There are no operating results of subsidiary for the year under consideration.

16 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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD
Date : 27.06.2007

Membership No: 51961

MANJEERA CONSTRUCTIONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	Rs.	Year ended 31.03.2007 Rs.
A. Cash flows from operating activities		
Net Profit before taxation & Extrordinary item		47356607
Adjustments for :		
Depreciation	2212052	
Prior Period adjustment	(240)	
Misc. expenditure amortised	253500	
Profit on sale of fixed assets	(6061)	
Interest income	(311085)	
Interest expense	3189180	
Profit on Sale of Investments	-	
credits written back	(96527)	
		5240819
Operating Profit before working capital changes		52597426
Adjustments for changes in working capital :		
increase in Inventories	(694171884)	
increase in Trade receivables	(5637168)	
increase in other receivables	(121085142)	
increase in Advance from customers	132836529	
increase in Trade payable	(29721)	
increase in other liabilities	97378601	
		(590708785)
Cash generated from operations		(538111359)
Direct taxes paid (Net)		(943235)
Net cash used for operating activities (A)		(539054594)
B. Cash flows from investing activities		
Purchase of fixed assets		(2694487)
Written back of fixed assets		159184
Misc.expenditure incurred		(5905189)
Proceeds from sale of fixed assets		25000
Advances received - Joint Ventures		7603380
Proceeds from issue of Share capital		288105290
Interest received		311085
Cash flow from investing activities (B)		287604263

MANJEERA CONSTRUCTIONS LIMITED

C. Cash flow from financing activities

Unsecured loan receipts (Net)	359504
Inter corporate deposits received	102055696
Proceeds from borrowings - Debentures	245098000
Dividend paid	(4002700)
Term loan repayments	(33339652)
Interest Paid	(1023376)
Net cash from financing activities	309147471
Net increase in cash and cash equivalents (A+B+C)	57697140
Cash and cash equivalents at beginning of year	2103642
Cash and cash equivalents at end of year	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.
3. Figures under brackets represent cash outflows.

AUDITOR'S CERTIFICATE

We have examined the attached Consolidated Cash Flow Statement of M/s.Manjeera Constructions Limited for the year ended 31st March,2007. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For and on behalf of the Board of Directors

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

(G.YOGANAND)
Managing Director

(G.SHIVALEELANAND)
Director

(S. BRAHMAIAH)
Company Secretary

(D.VIJAYA KUMAR)
Partner

Place : HYDERABAD
Date : 27.06.2007

Membership No: 51961

DIRECTOR'S REPORT

TO THE MEMBERS.

The directors have the pleasure in presenting the 8th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2007.

OPERATIONS

Your Company has undertaken the development of 8.295 acres of APHB's land at Kukatpally envisaging construction of about 17 lacs sft of Built up area of Office, Retail/Multiplex/Commercial/Residential apart from Car Parking space of about 7.5 lac sft. under Special Purpose Vehicle . The total estimated cost of the project is about Rs. 518.81 crores and the project is expected to be completed within a period of three years.

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 equity share capital of Rs.58,82,35,290 of the Company. Further Trinity Capital (six) Limited has contributed Rs.24,50,98,000 towards cumulative mandatory convertible 14% investor debentures S2 of the Company.

The Company had during the year under review had incurred Rs.7771.36 lacs for the project, which includes payment of Development Fee to Andhra Pradesh Housing Board.

The Company had received Approvals for Land Use Conversion for Ac.5.08 in Site S-2 and Height Clearance for Site S-2 from Airports Authority of India.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year under review and the provisions of section 58A of the

Companies Act 1956 are not applicable.

AUDITORS

M/s A.K.Sabat & Co., Chartered Accounts, Hyderabad, Statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS

During the year Mr. G Yoganand was appointed as Chairman and Managing Director of the Company

During the year under review, Mr. Aditya Bhargava, Mr. Manish Gupta and Mr. P Sobhanadri were inducted into the Board.

Mr. D Kiran Kumar, Director retires by rotation at the ensuing Annual General Meeting and being eligible to offer himself for re-appointment.

PARTICULARS OF EMPLOYEES:

Particulars of employees whose information 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.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956 it is hereby confirmed as under:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and

MANJEERA RETAIL HOLDINGS PVT. LTD.

- prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the incidental expenditure during construction of the company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detection of fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts on a going concern basis.

Your Directors also wish to convey their appreciation of the dedicated service rendered by the employees.

On behalf of the Board of Directors.

P SOBHANADRI
Director

G.YOGANAND
Chairman and Managing Director

Place: Hyderabad
Date: 21.06.2007

**CONSERVATION OF ENERGY,
TECHNOLOGY ABSORPTION, ETC.**

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

**AUDITOR'S OBSERVATIONS/
QUALIFICATIONS:**

The qualifications of the Auditor's in their report for the year ended 31st March 2007 are self explanatory and does not require any further clarification from the Board of Directors of the company.

ACKNOWLEDGEMENTS

Your Directors wish to convey their sincere thanks to Bankers, shareholders, stake holders and Government of Andhra Pradesh.

AUDITOR'S REPORT

TO THE MEMBERS OF MANJEERA RETAIL HOLDINGS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of MANJEERA RETAIL HOLDINGS PRIVATE LIMITED as at 31st March, 2007 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, none of the

MANJEERA RETAIL HOLDINGS PVT. LTD.

directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India;

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- ii. In the case of the Profit and Loss Account, of the net incidental expenditure transferred to property development in progress account 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

(D.VIJAYA KUMAR)
PARTNER
Membership No: 51961

Place : Hyderabad
Date : 21-06-2007

ANNEXURE TO THE AUDITORS' REPORT

To the Members of Manjeera Retail Holdings Private Limited on the accounts for the year ended 31st March, 2007.

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 asset.
- b) The management at reasonable intervals has carried out the physical verification of the fixed asset. No material discrepancies have been noticed on such verification.
- c) There has been no disposal of fixed assets by the Company during the year.
- ii) a) Inventory (property development-in-progress) 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 is maintaining proper records of inventory. No Material discrepancies were noticed on physical verification.
- iii) a) The Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act,1956. The maximum amount involved during the year was Rs.24,50,98,000 and year-end balance of such loan was Rs.24,50,98,000.
- b) The rate of interest and other terms and conditions of loan taken by the Company are not prima-facie prejudicial to the interest of the Company.
- c) The interest payments and principal repayment of loan taken is as per the terms and conditions of loan.
- d) There is no overdue amount in respect of loan taken by the Company.
- iv) There is an adequate internal control system commensurate with size of the Company and the nature of its business with regard to acquiring of inventory and fixed assets. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
- v) a) As explained to us, 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

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- during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted deposits from the public to which provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under apply.
- vii) Provisions under Paragraph (vii) of the Order regarding internal audit system is not applicable to the Company for the year under consideration.
- viii) 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 income tax and other statutory dues as applicable with the appropriate authorities.
(b) There are no dues of 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, 2007 and has not incurred cash losses during the immediately preceding financial year.
- xi) The Company during the year has no dues to the debenture holders.
- 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 is not a dealer or trader in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) Term loans have not been taken by the Company.
- xvii) On an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have not been used for long-term investment and vice versa.
- 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) Securities have not been created in respect of Debentures issued.
- xx) The Company has not raised money during the year from the public.
- xxi) No fraud on or by the Company has been noticed or reported during the year.

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

(D.VIJAYA KUMAR)
PARTNER
Membership No: 51961

Place: Hyderabad.
Date : 21-06-2007

MANJEERA RETAIL HOLDINGS PVT. LTD.**BALANCE SHEET AS AT 31ST MARCH, 2007**

	Schedule	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds:			
Capital	1	588,235,290	130,000
Loan funds :			
Unsecured loans	2	245,098,000	-
TOTAL		833,333,290	130,000
APPLICATION OF FUNDS			
Fixed assets :			
Gross block (Computer)		45,000	-
Less: Depreciation		13,500	-
Net block		31,500	-
Current assets, loans and advances : (A)			
Inventories	3	658,457,931	72,670
Cash and bank balances	4	55,449,669	5,439
Loans and advances	5	118,678,247	-
		832,585,847	78,109
Less: Current liabilities and provisions : (B)			
Current liabilities	6	2,323,810	5,612
Provisions	7	61,770	-
		2,385,580	5,612
Net current assets: (A) - (B)		830,200,267	72,497
Miscellaneous expenditure: (to the extent not written off or adjusted)			
Preliminary expenses		3,101,523	57,503
TOTAL		833,333,290	130,000
Significant accounting policies and notes on accounts	8		

On behalf of the Board of Directors

As per our report of even date
for A.K.SABAT & Co.,
Chartered Accountants(G.YOGANAND)
Managing Director(P.SOBHANADRI)
Director(D.VIJAYA KUMAR)
Partner
Membership No : 51961Place: Hyderabad
Date:21-06-2007

MANJEERA RETAIL HOLDINGS PVT. LTD.**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

Schedule	Year ended 31.03.2007 Rs	Year ended 31.03.2006 Rs
INCOME (A)		
Interest receipts - Term deposits	187,939	-
EXPENDITURE (B)		
Consultancy charges	4,500	-
Printing & stationery	1,805	-
Travelling & conveyance	958,628	-
Filing fees	6,219	2,000
Non-Judicial Stamps	1,210	
Bank charges	8,782	1,932
Audit fees	44,944	5,612
Interest expenses	-	829
Advertisement	-	430
Depreciation	13,500	-
Miscellaneous expenses	5,014	-
Provision for Income Tax (on Interest income)	58,160	-
Provision for Fringe benefit tax	3,610	-
Preliminary expenses written off	775,380	-
	<u>1,881,752</u>	<u>10,803</u>
Net Incidental expenditure :		
For the year (A) - (B)	1,693,813	10,803
Previous year balance brought forward	72,670	232,201
Less : Transferred to sundry creditors	-	170,334
Balance carried to Invenories (Schedule 3)	1,766,483	72,670
Significant accounting policies and notes on accounts	8	

On behalf of the Board of Directors

As per our report of even date
for A.K.SABAT & Co.,
Chartered Accountants**(G.YOGANAND)**
Managing Director**(P.SOBHANADRI)**
Director**(D.VIJAYA KUMAR)**
Partner
Membership No. 51961Place : HYDERABAD
Date : 21.06.2007

MANJEERA RETAIL HOLDINGS PVT. LTD.

Schedules forming part of the Balance Sheet

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised:		
6,00,00,000 (Previous year 12,50,000) equity shares of Rs.10 each.	<u>600,000,000</u>	<u>12,500,000</u>
Issued, subscribed & paid up:		
5,88,23,529 (Previous year 10,000) equity shares of Rs.10 each fully paid up.	588,235,290	100,000
Share deposit	-	30,000
	<u>588,235,290</u>	<u>130,000</u>
SCHEDULE 2 : UNSECURED LOANS		
Cumulative mandatory convertible debentures :		
2,45,098 (Previous year: Nil) 14% Investor Debenture S2 of Rs.1000 each. (Amount repayable within one year Rs. NIL (Previous year : Rs. NIL)	<u>245,098,000</u>	<u>-</u>
SCHEDULE 3 : INVENTORIES		
(As valued and certified by Management)		
Property development - in progress (Kukatpally project):		
Land Development fees	645,367,630	
Development rights transfer cost	1,012,110	
Preliminary project expenditure	2,978,108	
Financial expenses	7,333,600	
Incidental expenditure transferred from Profit and Loss Account	1,766,483	72,670
	<u>658,457,931</u>	<u>72,670</u>
SCHEDULE 4 : CASH AND BANK BALANCES		
Cash on hand	50,976	2,633
Balance with scheduled banks		
a) in current account	2,753,553	2,806
b) in fixed deposit account	52,500,000	-
Cheques on hand	145,140	-
	<u>55,449,669</u>	<u>5,439</u>

MANJEERA RETAIL HOLDINGS PVT. LTD.

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE 5 : LOANS AND ADVANCES (Unsecured, considered good)		
Interest accrued on Term Deposits	148,301	-
Advance for expenses	20,000	-
Advance - Erection of KPHB substation	6,328,000	-
Advance - Land Development fees	112,142,308	-
Tax deducted at source	39,638	-
	<u>118,678,247</u>	<u>-</u>
SCHEDULE 6 : CURRENT LIABILITIES		
Sundry creditors	42,652	5,612
Overdraft with scheduled bank	10,411	-
Interest accrued but not due - Debentures	2,162,234	-
TDS payable	108,513	-
	<u>2,323,810</u>	<u>5,612</u>
SCHEDULE 7 : PROVISIONS		
Income tax - current year	58,160	-
Fringe benefit tax	3,610	-
	<u>61,770</u>	<u>-</u>

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE: 8 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007.

A. Significant Accounting Policies:

1. Basis for preparation of financial statements:
The financial statements are based on historical cost convention and prepared in accordance with Generally Accepted Accounting Principles (Indian 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.
2. Income and expenditure:
All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis and provision is made for all known losses and liabilities.
3. Revenue Recognition:
 - i) Income from property development is recognized upon handing over possession of space/flats to the prospective 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.
 - ii) Interest on deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
4. Fixed Assets:
Fixed Assets are stated at cost of acquisition less accumulated depreciation.
5. Depreciation:
Depreciation on assets provided on written down value method at the rates prescribed under Income Tax Act, 1961 which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956.
6. Inventories:
Inventories are valued at lower of cost and net realisable value. The cost of property development and commercial space held for sale include direct material cost, direct labour cost, borrowing cost and appropriate overheads.
7. Miscellaneous Expenditure:
Preliminary expenses are being amortised over a period of five years.
8. Foreign currency transactions:
Assets and liabilities are transferred at the exchange rate prevailing on the Balance sheet date. Gains/Losses arising out of fluctuations in the exchange rate are recognised in the profit and loss account in the period in which they arise.
9. Borrowing costs
Borrowing costs on funds borrowed 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.

Borrowing costs not attributable to the acquisition of any qualifying asset are recognised as expense in the period in which they are incurred.

10. Income Tax:

Current tax is determined as the amount of tax payable to the tax authorities in respect of taxable income for the period. 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.

B. Notes on the Accounts:

1. i) In the year under consideration the Company has been reconstituted as a Special Purpose Vehicle (SPV) for implementation and development of shopping malls, multiplexes, office/ retail complexes and residential apartments. The authorised share capital of the Company increased from Rs.125 Lacs to Rs.6,000 Lacs.
- ii) 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 equity share capital Rs.58,82,35,290 of the Company. Further Trinity Capital (six) Limited has contributed Rs.24,50,98,000 towards cumulative mandatory convertible 14% investor debentures S2 of the Company.
- iii) The SPV has been set up for the

property development of 8.295 Acres originally assigned to Manjeera Constructions Limited by Andhra Pradesh Housing Board and development rights since transferred in favour of the Company.

2. During the year, the Company has issued at par cumulative mandatory convertible 14% investor debentures S2 aggregating to Rs.24,50,98,000 as on date of issue. The Debenture holders have an option of converting these debentures into equity shares of the Company any time post expiry of 36 months from closing date as per debenture cum subscription and shareholders agreement.
3. Contingent liabilities: NIL
4. Particulars under paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956, to the extent applicable: NIL
5. Inventories:Property development –in – progress expenditure (Kukatpally project) amounting to Rs 65,84,57,931 has been valued at lower of cost or net realisable value.
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 amounts to Rs.58,160 for the current year.
ii) Income tax Assessments have been completed upto the Assessment year 2006-2007.
7. As of 31st March, 2007, the Company had no outstanding dues to small scale industrial undertakings.

MANJEERA RETAIL HOLDINGS PVT. LTD.

8. "Related party disclosures" as required by Accounting Standard (AS) 18 of the Institute of Chartered Accountants of India:
- A) Related parties and Relationship:
- i) Key Management personnel:
- a) Mr. G Yoganand, Managing Director
- b) Mr. G Shivleelanand, Director:
Holding company-Manjeera Constructions Limited
- ii) Holding Company : M/s. Manjeera Constructions Limited (51% equity shareholding)
- iii) Associates: Trinity Capital (Six) Limited
- B) Transactions with related parties during the financial year and outstanding balance as on 31.03.2007

Nature of Transaction	Key Management Personnel Rs.	Holding Company Rs.	Associates Rs.
Architect Fee	19,08,080		
Interest on Debentures			21,62,234
Equity share contribution received		30,00,00,000	28,82,35,290
Debenture Contribution received			24,50,98,000
Development Rights Transfer paid		10,12,110	
Outstanding Balance	—	—	—

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

9. Financial expenses include Rs.21,62,234 towards interest on debentures issued for development of qualifying asset, property development.
10. Figures have been rounded off to the nearest rupee.
11. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with that of current year.
12. Schedules one to eight form part of the accounts.

On behalf of the Board of Directors.

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

(G.YOGANAND)
Managing Director

(P.SOBHANADRI)
Director

(D.VIJAYA KUMAR)
Partner
Membership No: 51961

Place: Hyderabad
Date : 21-06-2007

MANJEERA RETAIL HOLDINGS PVT. LTD.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007**

	Year ended 31.03.2007	
	Rs.	Rs.
A. Cash flow from operating activities		
Net profit before tax		NIL
Adjustments for :		
Depreciation	13,500	
Misc. expenses amortised	775,380	
Income tax (on Interest income)	58,160	
Fringe benefit tax	3,610	
Interest receipts	(187,939)	662,711
Operating profit before working capital changes		662,711
Adjustments for changes in working capital :		
Inventories	(658,385,261)	
Trade and other receivables	(118,638,609)	
Trade payables and other liabilities	2,318,198	(774,705,672)
Cash deployed for operations		(774,042,961)
Direct taxes paid(Net)		(39,638)
Net cash for operating activities		(774,082,599)
B. Cash flow from investing activities		
Purchase of fixed assets		(45,000)
Preliminary expenses incurred		(3,819,400)
Interest received		187,939
Net cash used in investing activities		(3,676,461)
C. Cash flow from financing activities		
Issue of shares		588,105,290
Proceeds from borrowing		245,098,000
Net cash from financing activities		833,203,290
Net increase in cash and cashequivalents (A+B+C)		55,444,230
Cash and cash equivalents as at 1st April, 2006		5,439
Cash and cash equivalents as at 31st March, 2007		55,449,669

MANJEERA RETAIL HOLDINGS PVT. LTD.

NOTE :

- 1 Accounting Standard (AS) - 3 "Cash Flow Statements" becomes applicable to the Company only from the current accounting year under consideration.
- 2 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.
- 3 Cash and cash equivalents represent cash and bank balances.
- 4 Figures under brackets represent cash outflows.

On behalf of the Board of Directors.

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

(G.YOGANAND)
Managing Director

(P.SOBHANADRI)
Director

(D.VIJAYA KUMAR)
Partner
Membership No: 51961

Place: Hyderabad
Date : 21-06-2007

MANJEERA RETAIL HOLDINGS PVT. LTD.

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 : 31.03.2007

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

Public issue	-	Right issue	-
Bonus issue	-	Private placement	588234

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

Total liabilities	833333	Total assets	833333
Paid - up capital	588235	Net fixed assets	31

Unsecured Loans	245098	Net Current assets	830200
		Miscellaneous expenditure	3102

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

Turnover	188	Total expenditure	NIL
Profit before tax	NIL	Profit after tax	NIL
Earnings per share	NIL	Dividend rate	NIL

V. Generic names of principal product, services of the Company:

Code : 45200 Sale of Commercial/residential space

On behalf of the Board of Directors

G.YOGANAND)
Managing Director

(P.SOBHANADRI)
Director

Date : 21.06.2007

Place : Hyderabad

MAJEERA CONSTRUCITONS 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

20th Annual General Meeting
Saturday 29th September 2007 at 11:00 a.m
Place : Aditya Park Inn Hotel, Ameerpet, Hyderabad - 38.

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

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

.....

Signature

PROXY FORM

MAJEERA CONSTRUCITONS LIMITED

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

TEAR HERE

Regd. Folio No.....

No. of Shares held.....

Client ID.....

DP ID.....

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

of the above named company hereby appoint.....

..... as my/our proxy to vote for me/on my/our behalf at the 20th Annual General Meeting of the Company to be held on 29th September 2007 at 11:00 a.m. and at any adjournment thereof.

Signed this day of.....2007

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



MANJEERA CONSTRUCTIONS LIMITED

***20th Annual Report
2006-2007***

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